Water Power

Controversies on Development and Modernity around the Arun-3 Hydropower Project in Nepal

Thesis

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By

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For Elisabeth Rest, nee Schober, Bleiwangmutter
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List of Abbreviations and Acronyms

ACG	Arun Concerned Group
ADB	Asian Development Bank
AfE	Alliance for Energy
BOOT	Build-Own-Operate-Transfer
CPN (M)	Communist Party of Nepal (Maoist) (until 2009)
CPN (ML)	Communist Party of Nepal (Marxist-Leninist) (until 1991)
CPN (UML)	Communist Party of Nepal (Unified Marxist-Leninist) (since 1991)
DAC	Development Assistance Committee (of the OECD)
DFID	Department for International Development (United Kingdom)
EIA	Environmental Impact Assessment
FPP	Forest Peoples Programme
FRL	Full Reservoir Level
GDP	Gross Domestic Product
GoN	Government of Nepal (since 2008)
GWh	Gigawatt-hours
HMG	His Majesty's Government (of Nepal, until 2008)
IBRD	International Bank for Reconstruction and Development
IDA	International Development Agency
ILO	International Labour Organization
IMF	International Monetary Fund
IRR	Internal Rate of Return
IUCN	International Union for the Conservation of Nature
JICA	Japan International Cooperation Agency
KfW	Kreditanstalt für Wiederaufbau (German Development Bank)
kWh	Kilowatt-hour
LAHURNIP	Lawyers' Association for Human Rights of Nepalese Indigenous Peoples
MEA	Ministry of External Affairs (India)
MoWR	Ministry of Water Resources (Nepal)
MW	Megawatt

NAM	Non-Aligned Movement
NBA	Narmada Bachao Andolan (Save the Narmada Movement)
NCA	Natural Capital Accounting
NEA	Nepal Electricity Authority
NGO	Non-Governmental Organisation
NPR	Nepalese Rupee
OECD	Organisation for Economic Cooperation and Development
OHCHR	Office of the High Commissioner for Human Rights
OD	Operational Directive (of the World Bank)
ODA	Official Development Assistance
OP	Operational Policy (of the World Bank)
PLA	People's Liberation Army (Nepal)
PPP	Public-Private-Partnership
RNA	Royal Nepalese Army
SAR	Staff Appraisal Report (by the World Bank)
SJVN	Satluj Jal Vidyut Nigam Limited
SSP	Sardar Sarovar Project
TRN	The Rising Nepal
TKP	The Kathmandu Post
TMI	The Mountain Institute
UCPN (M)	Unified Communist Party of Nepal (Maoist) (since 2009)
ULF	United Left Front
VDC	Village Development Committees
WAFED	Water and Energy Users Federation of Nepal
WCD	World Commission on Dams
YKS	Yamphu Kirat Samaj

List of Illustrations and Pictures

Note on Transliteration

Wherever this dissertation uses Nepali, Yamphu or Tibetan terms, I decided to transcribe them in a very basic form to ensure the readers will be able to concentrate on the argumentation and the story without stumbling over diacritical signs. When they are introduced the first time, I use the signs [N] [Y] and [T] to specify which language they are.

Note on Anonymisation

In line with common anthropological practice I try to conceal the identities of the people who talked to me during my research. Therefore, I use pseudonyms throughout the text. Despite this strategy I am well aware of the fact that many readers, first and foremost my interlocutors themselves, will very easily be able to identify who is who. This has been the case in many anthropological research projects like mine that rely on overt research (Murphy and Dingwall 2001: 341).

The picture is further complicated by the fact that four of my interview partners speak about events that are clearly attributable to them, even for complete outsiders. As all of them agreed to appear in my work under their real names, I decided to lift their anonymity in these few cases in order not to compromise their pseudonyms for the rest of the text. For this reason I also omit where and when these conversations have taken place and list them separately from the other interviews.

1 Introduction

Why not start with an unexpected find, right in the middle of my research? It was a grey and rainy evening in March 2011 when I got home from university. I had recently returned to Zurich after six months of fieldwork in Nepal and India and was still in the process of settling in. Wheeling my bicycle through the murky passage to the inner court of my apartment house, my eyes caught sight of a small heap of books that somebody had left on top of the paper bank. Most of them were pulp fiction in soft-cover, but one of them, with its sturdy, plastic binding, reminded me of a school atlas. Its spine read: *Neues Schweizer Lesebuch* (Brüschweiler 1967) – New Swiss reading book; the copyright told me it had been published in 1967. Curious as to what Swiss school children had to read in their German classes forty-five years ago, I had a look at the contents. And there it was: In the first section, placed strangely between an excerpt from Antoine de Saint-Exupery's night flight and Martin Luther's open letter on translating, I found a text by Hans Carossa titled *Das Stauwehr* – The Weir.[1] Needless to say I took the reader with me. Upstairs in my flat I opened the book again to find a flowery short story full of proliferating adjectives that describes the author's visit to a nameless lockage on an undisclosed river in the early 1920s.[2]
Seven pages later I put the book down, totally startled. Some of the persistent themes that ran through my fieldwork on the invention, cancellation and recent reincarnation of the Arun-3 hydropower project in Nepal were touched upon in these few pages: the promise of mastering and harnessing the forces of nature, grief for a river paradise lost, and the water spirits and angels no longer dwelling in it in order that an urban centre far away benefits, the inseparable connection between dam and nationalism, the comparison of the weir with religious monuments as well as a depiction of the water engineer as a modern, yet humble magician. All of this is arranged in a kind of time-lapse, miniature *Bildungsroman* with Carossa changing from the romantic, who introduces the dam in martial vocabulary and bemoans the drowned river banks to the rational hero, who understands the environmental sacrifice as a necessary evil for the greater good of progress:

[1] The author's name meant nothing to me. Only later did I find out that Carossa was included in the list of the six most important writes of Nazi Germany in 1944 by Adolf Hitler himself. The following year, however, he was sentenced to death in absence for a letter to the mayor of Passau urging him to surrender his hometown peacefully to the Allied Forces. In the literature on artists under the Nazi regime he features prominently as an example of 'inner emigration' (Trommler 2003).

[2] Judging from his mentioning of the mythological Nibelungen I assume that the events take place on the Rhine.

> Now I finally stood in front of the mighty barrage that gives our stream its big new depth. With the force and severity of a medieval fort it bridges the grey green floods on granite abutment piers; the whole seems assembled only from iron, stone, glass and puce brick, as if for millennia. How often did I pass the work glowering, full of contradictions against its violent presence. I could not forget the beautiful riparian world that now lies buried in the mud of the slowed river. Always new losses I was indulging in. The squill blossoms that covered the embankment like spilled blue colour dust in early spring, the summer shrubs redolent of calamus where sometimes Puck, sometimes Ariel were dwelling, the black, white grained cliffs on which perhaps already the eye of the *Nibelungen* rested when they sailed down to the land of their death - everything drowned, without return, bemoaned by no one (Carossa 1967 [1923]: 17, Translation MR)!

Despite this glowing accusation something "must have happened within" for Carossa to visit the dam after all, although we are left in the dark as to what had changed his mind. Although arriving in the early dawn, he is not alone: "A lot of people were standing here, devoutly admiring, like earlier one was only standing in front of the façade of a cathedral. Moved, they looked at the huge clenches […] that sustain the iron control gates to contain the tremendous pressure of the water jump" (ibid: 18).
Later, while observing the engineers in their control room, these "good sons of their times," he completely reverses the previous picture of the dam as a castle of dark forces and instead introduces it as an obedient and modest machine ready to serve modern society:

> Yes, no longer is it too early for me to do justice to this facility; it is not a fighting castle, demands nothing for itself, only wants to serve through urging the natural forces to accurate performance. Even those iron producers of the electrical currents, minotauric as they look, are in principle submissive, they comply with a guiding pull; and where one perceives the least, the most is happening (ibid: 19).

After a whole day at the lockage, Carossa leaves at night in total harmony with the structure. The environmental damage connected to its construction "should not worry us today" and it has finally transcended itself from a medieval fortress to a magic castle, removed from this world. At the same time, he reminds us of the efficiency of the structure that was built to increase ship traffic while the electricity generation is "only happening on the side:"

> I looked back and there it was: an enchanted castle radiating glitter in the night's blackness. The high windows of the turbine hall transmitted white rays widely; from the outer lamps, however, reddishly mild light sparkled downward like from showers. A white cargo ship, greyly laden, with yellow and blue lantern, swooshed along, carried by its mirror image, and reminded how the accomplishments of the bold working castle ceaselessly complement each other. To enhance the ship traffic, the stream was dammed; the other thing, the arousal of the electric force from the never declining rush of water, is only happening on the side; but precisely this is unforgettable. Whether we will ever understand why a blooming riparian world close by has to drown for that somewhere in the distant night lights may burn, this

> question should not worry us today. But sometimes it may be beneficial to visit the halls where superhuman obedience tames elemental forces or to wander through the silent room where there is nothing but deadly touches (ibid: 23).

The argument: Arun-3 as a complex set of force transmissions

This thesis is about a dam, too. But unlike the lockage in Carossa's short story the dam that is at stake here so far has not been built. That does not mean, however, that this dam has not had its ramifications. On the contrary, the Arun-3 hydropower plant is arguably the most controversial infrastructure project in the history of Nepal. Furthermore, the involvement of the World Bank made sure that its cancellation in 1995 had impacts on a global level. It was indicative of the fact that the funding of large dams in the global South through Western donor agencies became next to impossible at that time. The recent reincarnation of this dam under the aegis of a state-owned Indian company (Satluj Jal Vidyut Nigam [SJVN]), however, shows that large dams are back on the agenda of international donor agencies and governments in the global South, albeit under radically altered financing and ownership arrangements. By now, Arun-3 has been in the making for three decades and only time will tell if it will ever see the light of day. For the time being, it is an invisible dam; but still a very powerful one. Thus, the overarching research question informing my work is how this unconstructed dam has influenced the way large dam projects first became next to impossible to finance in the Mid-1990s and how they recently have made a serious comeback.

The main argument of my thesis runs against the widespread depiction of the cancellation of Arun-3 as a confrontation between the World Bank, national and global civil society as well as the people living around the dam site that is prevalent in the narratives of my interlocutors. Instead, I propose to read it as a story of how new forms of relation between these four groups of actors emerged through a complex set of force transmissions. Through these, Arun-3 has brought people into contact because it put them in oppositional camps. As it goes with forces fed to a machine as opaque as transnational infrastructure development, these transmissions had unintended outcomes on several levels.

I argue that a radically new working arrangement emerged between the Bank and its critics in the course of the review of Arun-3 by the World Bank Inspection Panel. In light of a well-organised campaign titled '50 years is enough' (Danaher 1994) on the occasion of the 50th anniversary of the establishment of the Bretton-Woods institutions that called for the disbandment of World Bank and IMF, the Bank realised the urgent need to reach out to its opponents. The main reason for this change of heart was the reasonable fear that this campaign might seriously damage the Bank's reputation and lessen its attraction as a donor

to governments in the global South. Many of its employees were also critical of the way they were doing business and eager to integrate new forms of expertise to improve the Bank's work. Arun-3 served as a welcome example to test a new way of dealing with criticism: economically, environmentally as well as socially, it had been a chronically problematic project in an unimportant country that had gained the attention of global civil society and increasingly the media. This mélange led the newly appointed Director of the World Bank James Wolfensohn to cancel all credit negotiations between his organisation and the government of Nepal in August 1995. It was the first major decision in his new job. But while the original request for inspection by the Nepalese activists had mainly attacked the project - and thereby the Bank - for its bad economics, the official investigation and cancellation was restricted to environmental concerns, issues of land compensation and resettlement. This decision defined the mandate of the Inspection Panel ever since in spite of the fact that its founding document (IBRD and IDA 1993) clearly envisioned it as an independent institution mandated to investigate requests concerning all of the Bank's directives.

This transmission lies at the core of what Michael Goldman (2005) has so aptly termed 'green neoliberalism:' the inclusion of an unprecedented number of social scientists, ecologists and civil society actors into the World Bank's system of knowledge production that happened simultaneously with the Arun-3 controversy. Through this new modus operandi, Goldman argues, the Bank today knows more about the world and the projects it funds than ever before.

When news of the Bank's decision arrived in the upper Arun valley where the dam was supposed to be built, the majority of the people were disappointed. Following the announcements of the government and local elites, they had had high hopes connected to Arun-3 – the promise of a road, electricity, wage labour and development in general. Despite several attempts to integrate them into the movement against the dam beforehand, the activists were unable to transmit their opposition to people who were eager to establish connections and become an active party to a state that had neglected most of them since its inception. Twenty years later, many of my interlocutors in the area have transmitted the futility of this hope into the strong believe that development will never arrive in the Arun valley as it is something that others enjoy elsewhere. The events surrounding the recent reincarnation of Arun-3, finally, point towards another form of force transmission: The come-back of large dams within a new, multi-polar world order where large scale transnational infrastructure development is no longer the exclusive realm of Western donor institutions and new property relations are emerging through the practice of public-private partnerships.

The Dam as Will and Representation

For the better part of the 20th century, the dam has been one of the most powerful symbols of progress. The *World Commission on Dams* (WCD) estimated that during this century at least 45 000 large dams[3] were built, the overwhelming majority of them between 1945 and 1990 (World Commission on Dams 2000: ix). As Carossa's short story impressively shows, few other technological achievements came to embody one of the central dreams of modernity in a similar vein: to control the forces of nature and at the same time to harness this power for the generation of electricity and the irrigation of an industrialised agriculture. With the decolonisation of the global South and the coming into being of the Third World, the promise of the dam became a crucial topos in the rhetoric of modernisation for politicians in the former colonies as well as agencies like the World Bank and the International Monetary Fund (IMF). For many within the post-colonial elites, it represented a powerful symbol for the combined virility of nationalism and development and its conquest of nature. Beyond that, the dam with its bold aesthetics and sheer magnitude also served as one the most monumental modernist structures ready to be admired. Not only Carossa linked dams to churches; in fact, the practice of relating them to sacred architecture is a reoccurring theme. Probably best known are the statements by Jawaharlal Nehru, India's first Prime Minister who proclaimed dams the "temples of modern India" (D'Souza 2002: xv) and "the symbol of India's progress" (Kaminsky and Long 2011: 86). All over the world, gigantic river development schemes were planned in an attempt to copy the US Tennessee Valley Project (Klingensmith 2007) or the Egyptian Aswan High Dam (Mitchell 2002). Soon, the World Bank emerged as the main financier for hydropower construction in the global South: According to one estimate (Sklar and McCully 1994 in Khagram 2004: 7) the Bank lent more than 58 billion US-Dollars for more than 604 dams in 93 countries from its inception until 1994.

Apart from hydropower and irrigation and beyond nationalism and mythology, the construction of large dams had a number of further benefits for the elites of the industrialising national economies of the global South after the end of colonial rule. One was the hope to train domestic engineers through the exchange with Western hydropower companies and consultants. Two more potential benefits were connected to the fact that large dams require large investments. On the one hand this enabled governments to start negotiations about huge loans with Western donors that would (in the best of all cases) dramatically increase the locally available capital and thereby boost the economy. On the other hand projects of this size would in almost every case come with numerous possibilities for the ruling parties and their representatives to receive kickbacks for their own benefit (Transparency International 2008).

[3] The International Commission on Large Dams (ICOLD) defines a large dam as being more than fifteen meters high "or, if between 5 and 15m in height, as having a storage capacity of over 3,000,000m^3" (Scudder 2005: 2).

Dam projects, however, have at least two major downsides: They tend to submerge human settlements and severely change river ecologies. The plight of displaced people was often dismissed through narratives of sacrificial patriotism – in 1948, Nehru told affected villagers: "If you are to suffer, you should suffer in the interest of the country" (Khagram 2004: 37). Due to the fact that big hydropower schemes, especially storage facilities, were often constructed in mountainous areas far away from urban centres, the affected people often were part of indigenous or minority groups. Until the 1970s, opposition to dam projects in the global South was infrequent and scattered. In South Asia, the first schemes that almost simultaneously led to opposition in the Mid-1970s were the Silent Valley project in Kerala (ibid: 42-49) and the Tehri dam in present-day Uttarakhand (Kumar 1996). Whereas the former was never constructed, the latter came online in 2006 after forty years of protest.

Subsequently, with the rise of civil society organisations and the global dissemination of discourses on environmental conservation, human and indigenous rights, things changed. Transnationally organised activist networks started defying the global regime of foreign funded infrastructure development and its leading actors. The first major case where the World Bank had to backtrack on a hydropower dam was the financing for the Indian Sardar Sarovar along the Narmada River. After a well-organised campaign both in the Narmada valley and globally, the Bank commissioned the first independent review of one of its projects in 1992. This so-called Morse Report (Morse and Berger 1992) indicated severe flaws concerning project implementation, especially connected to questions of information, resettlement and rehabilitation of the affected people. Subsequently, the Bank did not to transfer the last tranche of the credit and the government of India did not demand it. This way, both partners tried to save face. Still, to the activists the message was clear: the World Bank was not impregnable.

In light of the growing resistance many people inside the Bank developed a serious concern that persistent civil society agitation and the accompanying bad press might severely compromise the Bank's ability to sell credits to governments in the global South. Therefore, the Executive Directors decided to establish an independent arbitral court and requested Ibrahim Shihata, the general counsel of the Bank, to write a resolution for that purpose (IBRD and IDA 1993). As Richard Bissell (1997: 741) argues the legal architecture Shihata came up with was "conceptually almost unique: combining the possibility of access of individuals and private groups to rights under international law, with the opportunity to question the activities of international organizations."

The World Bank Inspection Panel began operation in August 1994 and the first complaint, filed in November 1994, was concerning the Arun-3 project (Arun Concerned Group 1994a). After ten months of investigation, a number of critical reports by the Panel and three more rounds of internal project evaluation by Bank staff, the Bank's new director Wolfensohn decided to stop all credit negotiations in

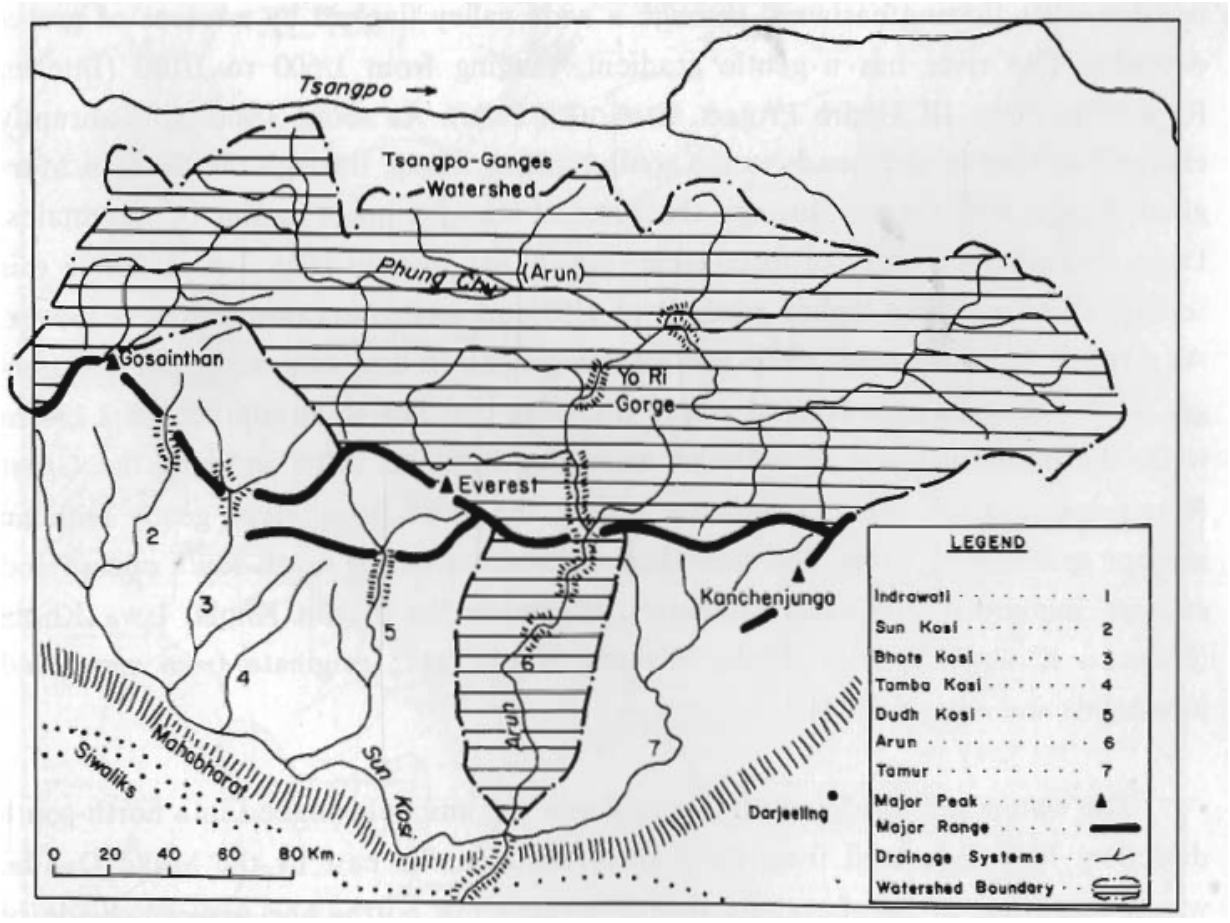
August 1995. Paradoxically, the majority of the affected people in the Arun valley were outraged by the success of the national and transnational campaign. They had hoped to benefit from the access road to the dam site, the electrification of their villages and the possibility of wage labour connected to the construction. After cancelling the Arun-3 project the Bank pulled out of hydropower construction altogether and also established the World Commission on Dams to work on a new framework for big dams. For the next ten years, their financing through the World Bank came almost completely to a halt and without the Bank's backing it became almost impossible for governments in the global South to build them.

Recently, however, the rapid economic rise of emerging regional powers like India, China or Brazil and the global discourse on climate change and carbon dioxide has brought big dams back on the agenda of governments, international agencies and big business. And so also the Arun-3 project has been revived. This time, the Indian state-owned company Satluj Jal Vidyut Nigam (SJVN) is developing and financing the project predominantly for the export of the generated electricity to India. This export orientation has caused considerable controversy in Nepal as the country faces power outages of up to fourteen hours per day. This case shows the considerable changes in the institutional and financial framework of hydropower construction in the global South that have occurred since the withdrawal of the World Bank after the Inspection Panel's report on the Arun-3 in the mid-1990. For the most part, big dams are no longer constructed under the leadership of Western agencies, donors and companies. Nowadays, countries like China, Brazil or India have their own hydropower industries, contractors and investors. Often, these actors are parastatal entities that are eager to compete internationally for large-scale projects. Beyond the economic benefits for the companies involved, these activities are part of a strategy to secure resources and geopolitical influence spheres by emerging regional powers, a process that is well under way in Nepal as both India and China are keen to expand their power position in the region. This process is transforming formerly peripheral places like the upper Arun valley into areas of high strategic importance.

The dream of a dam

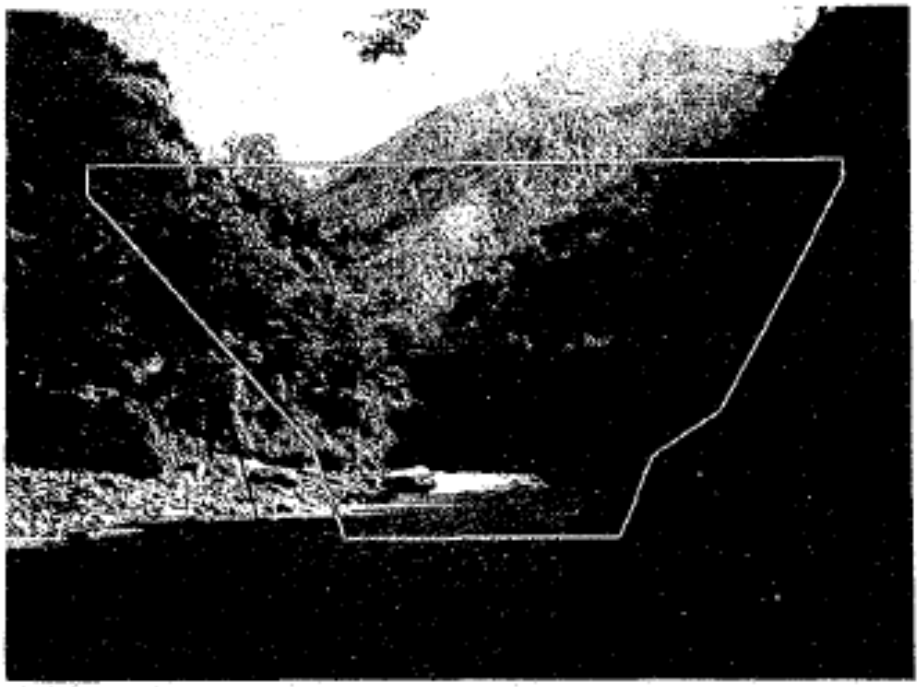
The Arun, or Bum-chu in Tibetan, is one of the seven tributaries of the Kosi (or Koshi) River, a left tributary of the Ganges. The Kosi is also known as the 'sorrow of Bihar' that every few years floods big areas of the eastern Gangetic Plain of Northern India. Draining the highest part of the Himalayas, the Kosi's catchment area contains six of the world's fourteen eight-thousanders, with Mount Everest at its centre. Unlike most of Nepal's streams, the Arun originates in Tibet, on the northern slopes of Mount Shishapangma in Nyalam County. After heading east for 300km, she suddenly turns south and breaks

through the Himalayan main ridge right between the massifs of Makalu and Kanchenjunga; hence she drains a much larger catchment area than most rivers in the country. Despite the arid character of her Tibetan watershed, this gives the Arun a higher minimum flow than the streams originating on the south slope of the Himalayas. Therefore, she has for a long time been considered as one of the most suitable rivers for hydropower development, since in Nepal, where half of the annual rainfall is concentrated on fifteen days, hydropower plants can only run at a fraction of their potential during most of the year. A second explanation why Japanese, Canadian and German hydropower companies (and later Indian and US-American as well) were so eager to develop this particular dam so far removed from any existing infrastructure, was provided to me by Sushil, one of the former Anti-Arun activists. According to him, all this interest was directly connected to the fantastic Karnali Chisapani Multipurpose Project in the Far West of Nepal. Similarly to Arun-3, this massive storage and irrigation project with an estimated installed capacity of 10,800 MW was also invented in the Mid-1980s. Arun-3 would have then only served as a first test balloon and a way of establishing a strong presence in Nepal (Interview 1).



Ill. 2: The seven tributaries of the Kosi with the Arun watershed hachured (Shrestha 1989: 7).

Already in 1982, a Japanese feasibility study had defined the sinuosity of the Arun near Phyaksinda in the upper Arun valley in Sankhuwasabha district as the best location for a dam in the whole Kosi river system in Nepal and labelled the site as Arun No. 3 (MoWR and JICA 1985). There, the Arun leaves its southern course, turns for nearly 180 degrees and runs north for three kilometres before performing a second turn that brings its course back to a southern direction. This river loop seemed very favourable for the construction of a diversion tunnel. At this time, democratic parties were banned in Nepal and King Birendra ruled the country autocratically through a corporative structure based ostensibly on traditional South Asian village councils. This regime was euphemistically called 'party-less Panchayat democracy.'[4]



Ill. 2: An invisible dam, seen from the south (His Majesty's Government et.al. 1987a: no page).

When a popular uprising that came to be known as *Jana Andolan* [N] (People's Movement) led to the re-establishment of multiparty democracy in 1990, the exploratory drillings for the tunnelling system were well underway. The World Bank, the Asian Development Bank (ADB) and the German *Kreditanstalt für Wideraufbau* (KfW) served as the prospective lead donors for the 1.1 billion US dollar project – by far the

[4] *Panchayat* [N] literally means council of five.

largest investment ever to be made in Nepal. With the end of the Panchayat regime and its tight censorship of the press, the first overt criticism of the project appeared in the government-owned English daily *The Rising Nepal* (TRN) on 13 June 1990. Its author Dipak Gyawali (2003 [1990]) attacked the dam as being too expensive, too big and too far up the Arun valley to be a viable option for Nepal. As the project moved ahead without changes, in 1993 a small group of activists started organising a campaign against the scheme in Kathmandu. It mainly consisted of foreign-trained engineers, journalists, social scientists and lawyers. Some of them had been active in the popular uprising, some had just returned from abroad and all of them were keen to expand the mobilisation for democratic change into one of the most opaque sectors of Nepalese politics and economy: foreign-funded development. Soon they organised themselves into non-governmental organisations (NGOs), most notably the *Alliance for Energy* (AfE) and later the *Arun Concerned Group* (ACG). The first criticised Arun-3 mainly on economic grounds. Doubting the country's capacity to cope with a capital expenditure twice as high as the annual budget, they strongly opposed the World Bank's forty-two conditionalities tied to the loan and claimed that Nepal could generate the same amount of electricity much cheaper with four or five smaller hydropower projects in Central Nepal (Alliance for Energy 1993). The ACG activists followed this line of critique developed by the AfE, but aware of emerging global discourses in the 1990s, they added two more arguments to consolidate their campaign: the claim that the dam project would seriously threaten indigenous groups and the environment in the project area. It was mainly through these additional arguments that the international civil society realised the potential of the Arun-3 controversy for its purposes.

In 1994, the ACG brought the complaint against the Arun-3 dam before the newly established Inspection Panel of the World Bank. It was the first case to be examined through this mechanism. After nine months of investigation, the panel delivered a highly critical report concluding that it is "doubtful that the project's mitigatory environmental and social measures can be implemented within the time frame proposed by IDA" (The Inspection Panel 1995: 5). Within five weeks of the final report of the Panel, the newly appointed President of the World Bank James Wolfensohn decided to withdraw funding for the controversial project. Other donors followed suit and the project was frozen in 1995 (Bissell 2003). Wolfensohn's decision has to be understood in the context of the intense pressure exerted on the World Bank through a well-organised transnational campaign by a network of local, national and transnational NGOs. It accused the Bank of not taking responsibility for the often-disastrous effects of their credits and thus not being accountable to those adversely affected by its projects (Clark et al. 2003; Fox and Brown 1998; Danaher 1994). Both the Inspection Panel and the World Commission on Dams were created in response to numerous cases of resistance against Bank funded projects around the world. The most iconic of these struggles was arguably the successful campaign against the highly controversial Sardar Sarovar

dam, the largest scheme in the Narmada Valley Development Project in India. The activists had shown that, contrary to the claims of the Bank, the dam would displace several hundred thousand people without a proper mitigation plan and create significant environmental destruction (Khagram 2004; Baviskar 1995). This campaign was one of the first examples were NGOs from the global South and the West campaigned side by side for mutual benefit. Whereas the former could provide powerful narratives of the displaced people and a very direct account of their plight, the latter were versed in the workings of donor agencies and Western media outlets. Therefore, when the ACG made its appearance through the request for inspection, organisations like the *International Rivers Network*, *Friends of the Earth*, *Urgewald* or the *Environmental Defense Fund* were all too ready to jump on board and join the protest. As I will show, however, this collaboration severely altered the line of critique: from a project that had been attacked for its bad economics by engineers and economists in Kathmandu, Arun-3 was now criticised along the lines established during the Narmada controversy and depicted as a social and environmental disaster by the Anti-World Bank coalition in Washington, DC, Bonn and elsewhere.

The Maoist Insurgency and the Civil War

Arguably the most important reason why thirteen years elapsed between the cancellation and the reincarnation of the Arun-3 dam was the armed Maoist insurgency in 1996 that led to a decade long conflict between the *People's Liberation Army* (PLA) and the Nepalese state. While both the Indian Tata as well as Enron from the United States unsuccessfully tried to revive the project shortly after the World Bank's exit in 1995, around the millennium foreign investors, their governments and finally even the Nepalese state apparatus came to understand that the Maoist uprising would not take care of itself and would make any large-scale infrastructure projects outside the urban centres next to impossible. In 2001 King Gyanendra Shah decided to deploy the *Royal Nepalese Army* (RNA) to fight the PLA as he saw both the police as well as the newly established Armed Police Force not fit to deal with the insurgency. Until then the conflict had been relatively confined, both geographically (in the Mid-Western hill districts around Rolpa and Rukum) as well as in terms of causalities. This decision, however, turned the armed uprising into a full-fledged civil war. The following four years saw an exponential increase in the number of fatalities (according to (Einsiedel et al. 2012: 20) 80% of the people reported dead during the whole conflict were killed between 2002 and 2005). Furthermore, this militarization did not stop the PLA's advance and by the time then Prime Minister Girija Prasad Koirala and Maoist Chairman Pushpa Kamal Dahal signed the Comprehensive Peace Agreement in 2006, the Maoists were able to deny the state control over around 80% of its territory. While this does not mean that they were ruling over all this

territory, in many areas they indeed had established their own parastatal structures, especially 'People's Governments' and 'People's Courts.' Two years later, in 2008, the King had to resign after a month long mass-movement against monarchy (either referred to as *loktantrik andolan* [N] [democracy movement] or as *jana andolan II* [N] [people's movement-II, thereby understanding it as a continuation of the 1990 jana andolan]) that was backed by both the Maoists and the parliamentary parties. With the parliament declaring the state a republic in May 2008 one of the main demands that sparked the civil war was fulfilled. During the conflict at least 13,000 people died (OHCHR 2012: 3) while tens of thousands were internally displaced. Thousands have disappeared and in 2013 still 951 persons were missing (ICRC 2013: 3).

The uprising started on 13 February 1996 with a series of coordinated attacks on police stations, foreign companies and the family of a moneylender in six different districts of the country. Shortly beforehand, the *Communist Party of Nepal (Maoist)* (CPN [M], now UCPN [M]) had submitted a list of forty demands to the government complete with the threat that non-compliance would lead to an armed insurrection. Among these was the call for an end to monarchy and the introduction of 'people's democracy,' a land reform and the repeal of the Mahakali treaty that "allows Indian imperialist monopoly of Nepal's water resources," (Thapa and Sijapati 2003: 392) but also the postulation that "vulgar Hindi films, videos and magazines should be immediately outlawed" (ibid). For the first years, the strategy of the PLA followed the first attack with remote police stations, branch offices of banks, large landowners and moneylenders in the hill districts of Mid-Western Nepal as main targets. Especially the redistribution of land and money that often followed successful assaults combined with their anti-feudal, anti-casteist rhetoric strengthened their following among the underprivileged and marginalised, especially *dalit* communities and indigenous minorities. Another important reason for the Maoists' popularity was their strong commitment to women's emancipation: not only was approximately one third of the troops female, but the women's wing of the party – the All Nepal Women's Association (Revolutionary) – grew into a mass organisation during the armed conflict. After the deployment of the army, its campaigns banning alcoholism and gambling were among the most visible techniques of establishing rule in a highly complicated war with frequently shifting front lines. Despite all of this it is important to note that the central committee of the party nonetheless has been clearly dominated by high caste men since the inception of the 'people's war (*jana yuddha* [N])'. With the deployment of the army and the escalation of the war over most of Nepal's territory, however, the Maoists lost many supporters as some of their wings started to abduct and kill human rights activists and journalists. While the central command of the party had always been careful to condemn any atrocities against civilians, in the last years of the conflict it often seemed as if it was unable to exert direct control over all its cadres. Furthermore, many civilians were

caught between the lines of PLA and RNA with both armies demanding food, shelter and forcing people to provide them with information about the enemy. Both armies also conducted forced recruitment in many areas, further increasing the rural flight in connection to the conflict.

In 2005 King Gyanendra dissolved the government under the pretext of its apparent inability to organise general elections and assumed absolute power. He suspended rights of association, put the media under tight censorship and appointed a number of ministers directly while the army started to arrest senior political leaders, journalists and members of civil society. This move was the main reason for the broad alliance between the parliamentary parties, the Maoists and wide sections of civil society that led to the end of the armed conflict in the following year. An interim government stripped King Gyanendra of all his rights in May 2006, but it took until May 2008 for him to officially resign and the declaration of republic (Lecomte-Tilouine 2009: 268).

With the main bases of the Maoists in the hill districts of Mid-Western Nepal, it took a couple of years until the conflict reached Eastern Nepal. But by the time the peace agreement was signed in November 2006, most of North Eastern Nepal was under Maoist control as well. During my fieldwork in 2010 and 2011, the Maoist movement still was a very important political factor in the upper Arun valley. It had a strong following among the indigenous communities in the area and its candidate Purna Prasad Rai came first in the Constituent Assembly elections in 2008. As late as 2010, the UCPN (M) in Sankhuwasabha reactivated its People's Court in clear violation of the peace accord and started handing out verdicts (The Himalayan Times 2010).

During the 2013 Constituent Assembly elections, however, the UCPN (M) was clearly defeated by both other major political parties, the *Nepali Congress* (NC) and the *Communist Party of Nepal (Unified Marxist-Leninist)* (CPN [UML]). This result followed a trend throughout the country with the Maoists losing the majority of their constituencies outside their strongholds in the Mid-Western hill districts where the armed insurgency originated.

The cancelation of the cancelation

In spring 2008, while the seven parliamentary parties and the CPN (M) were still negotiating the terms for an end of the armed conflict, the interim government under Nepali Congress veteran Girija Prasad Koirala floated a tender for the resumption of Nepal's most controversial infrastructure project. But the institutional circumstances for such projects had fundamentally changed between 1990 and 2008. Whereas the first incarnation of Arun-3 was planned under the guidance of the *Nepal Electricity Authority* (NEA) with the government as borrower and with the intention of satisfying the growing electricity demand

within the country, the recent attempt is guided by a completely different logic: the framework of *Build-Own-Operate-Transfer* (BOOT) within the new public management logic of *public-private-partnerships* (PPP). After an international bidding procedure, the project was awarded to the Indian state-owned *Satluj Jal Vidyut Nigam Limited* (SJVN) in return for the better part of the generated energy that will be exported to India. In the meantime, SJVN has announced that it plans to increase the installed capacity from 402 MW according to the old project design to 900 MW.

So, one of the main paradoxes in the history of the Arun-3 is how a dam supposed to secure the domestic electricity supply of Nepal was transformed into an export-oriented project that will be built by a foreign company. Due to the severe power shortage, a wide set of people interested in hydropower – academics, consultants, activists, former or current bureaucrats, environmentalists, Nepalese and foreign NGO staff members, as well as former members of the NEA - in Kathmandu oppose this new arrangement. This is not to say they have a shared opinion on the project as such; quite the contrary is the case. But no matter whether they believe the dam should have been built long ago or not, none of my interlocutors were in favour of the reincarnation of Arun-3 as a project for exporting electricity to India.

An influential Thing

Despite the fact that the Arun-3 dam remains unbuilt to this day, it is a very good thing to think with – probably even more so because of its non-existence. Not only has it become an infamous topos that is invoked on a regular basis in discussion of failed development in Nepal, it has also had far-reaching repercussions on a global level. This work will show, its evaluation, re-evaluation and eventual cancellation were fundamental in the coming into being of a new paradigm of doing big hydropower in the global South for Western agencies while its recent reincarnation shows how much the industry and the property relations are changing with the advent of new actors from emerging powers like India and China.

Contemplating the chequered history of Arun-3, I soon became aware of the fact that conceptualising the dam itself as a simple object – or, even, a non-object – hardly takes account of the multiplicity of entangled relations and exchanges its cancellation and reincarnation represent. As Timothy Mitchell (2002: 30) has argued with recourse to Karl Marx: "Through exchange, the powers of objects take on a consciousness and a will." His insightful discussion of the relations between the construction of the Aswan High Dam in Egypt and the triangle of war, malaria and agriculture shows impressively that "[i]n practice the nonhuman elements are never so passive" (ibid: 299).

Recently there has been an ever-increasing interest in tracing the various ways in which humans and non-humans are co-constituted. This return to one of the classic themes of social and cultural anthropology has

most pronouncedly emerged from the field of science and technology studies. The most influential figure in this respect has arguably been Bruno Latour. His reconsideration and expansion of notions of agency beyond human actors has yielded the by now widespread concept of the *actant*: "an actant is a source of action that can be either human or nonhuman; it is that which has efficacy, can *do* things, has sufficient coherence to make a difference, produce effects, alter the course of events," as Jane Bennett (2001: viii, emphasis in original) summarises. Along these lines, Latour criticises the poverty of predominant conceptualisations of objects as purely passive matter and instead proposes his concept of the thing. For him a thing is an entity that escapes its materiality, an entanglement of material, semiotic and affective practices, or a "pattern of emotions and disruptions, of disagreements and agreements" (Latour 2005a: 15). For too long, he claims, things have been wrongly portrayed as matters-of-facts whereas he demands to reconceptualise them as matters-of-concern. "They are much more interesting, variegated, uncertain, complicated, far reaching, heterogeneous, risky, historical, local, material and networky than the pathetic version offered for too long by philosophers" (ibid: 21). Taking recourse to Martin Heidegger, he defines the thing through its peculiar etymology "that designated originally a certain type of archaic assembly" (ibid: 22), still alive in the Icelandic *Allthing* and relates it thereby to the Latin *res* – as in *res publica*. Such a thing, then, is "the issue that brings people together *because* it divides them" (ibid, emphasis in original). I believe this is a very suitable way of framing the Arun-3 project and to come to terms with the complex and far-reaching consequences this never realised dam has had so far. Following James Ferguson's (2011) suggestion to consider objects of anthropological inquiry both as relations and as sets of practices, this thesis is an attempt to trace the relations the Arun-3 project has created among a far-reaching set of actors around the globe. It also investigates the new sets of practices that emerged out of its cancelation and as well as those that are driving its recent reincarnation. I argue that this specific hydropower scheme is a particularly rich vantage point from which to understand what has happened to large dams in the global South over the last twenty-five years and, why despite all these changes, they still serve as a remarkably powerful symbol of development and a promise for progress.

Arun-3 in perspective

The literature on Arun-3 is not particularly rich. The project and its cancellation are often cited in passing in the literature on transnational organisations, environmentalism and the global civil society (Jones 2012; Bosshard 2010; Hill 2008; Hachhethu 2006; Gutner 2005; Goldman 2005, 2004; Mallaby 2004; Delcore 2003; World Commission on Dams 2000; Guthman 1997; Nelson 1997; Caufield 1996; Chatterjee 1996) and in work on hydropower, Himalayan water resources and India-Nepal trans-border issues (Dhungel

and Pun 2009; Biggs 2008; Gautam and Karki 2004; Bandyopadhyay 2002; Pandey 1996). There are a handful of papers dealing directly with the controversy (Pfaff-Czarnecka 2007; Bissell 2003; Gyawali 2003 [1997]; Armbrecht Forbes 1999a; Udall 1998; Paranjapye 1994). Beyond that, the conflict between those who bemoan the cancellation of the dam in 1995 and those who were instrumental in the abandoning of the project, is far from resolved in Nepal. Every now and then, a new piece on the issue appears, mostly in the national media, but also in scientific papers and books (for the perspective of the proponents see Pun 2010 or Mahat 2005, for the opponents Shrestha 2009). Since his first public criticism of the project in the government-owned daily *The Rising Nepal* in 1990 (see Chapter 3), Dipak Gyawali has been writing on Arun-3 extensively over the last twenty years, consistently arguing that the cancellation had nothing to do with issues of resettlement and environmental concerns, but was a purely economic decision (e.g. Gyawali 2013; Gyawali and Dixit 2010) – an explanation that stems from his personal and consistent involvement in the opposition against the project but tends to gloss over the complexity of the issues at hand. Chapters 3 and 4 will be an attempt to put the different strands of opposition in perspective and show that is was actually the interplay of several different events at a specific historical moment that rendered the Arun-3 dam impossible. The only book so far dealing exclusively with the project is Anna Paskal's "The Water Gods" (2000), a revised version of her 1995 Bachelor thesis that tells the story of a visit to Nepal including a trek to the dam site as part of an international activists' campaign. I will engage with her account in Chapter 3.

Only one paper seems to use the Arun case to illustrate a more general argument. In a recent contribution to a theory of democratisation based on what he calls 'a culture of decency,' Michael Thompson (2002: 356) refers to Arun-3 to prove that "'development' in Nepal […] is destructive of democracy both at the macro-level […] and at the micro-level." Unfortunately, his attempt to juxtapose the political ethics of the Duke of Wellington with cultural theory of risk in the tracks of Mary Douglas and underpin it with examples like the Arun-3 dam remains sketchy at best.

Dams and social science

Beyond the narrow discussion of this specific dam, there is of course a rich literature on hydropower in the social sciences (e.g. Spilsbury 2011; Johansson & Kriström 2011; UNDP 2011; Cummings 2009; McCully 2001). And while many of these studies engage with controversial interventions, displacement and resistance, practically all of them deal with actually existing dams. One of the rare examples that discuss another cancelled dam is Kaushik Ghosh's (2006) work on the Koel-Karo project in Jharkhand, Central India – and as it seems this one has been revived recently as well (Biswas 2011). Koel-Karo

represents one of the few examples of an indigenous, grass-roots campaign that successfully prevented a dam project over a period of now nearly forty years. Still, it has attracted little media attention, according to Ghosh – and even less academic interest, one could add to prove the apparent disinterest of social scientists in cancelled dams. Starting from the affected *adivasis'*[5] staunch refusal to be co-opted into the dam project, Ghosh presents a rich account of the dividing lines between them and the middle-class indigenous activists who, in the name of development, try to convince them to accept the government's plans to resettlement and compensation. Therefore, Koel-Karo represents a counter-example to my case at hand where the majority of affected people are strongly in favour of the dam while the indigenous activists are critical towards it. Gosh draws a fine-grained picture of how the recognition of indigenous claims to land actually reinforces essentialist practices of tribal othering and leads to a form of 'exclusive governmentality.'

The anthropological engagement with hydropower development and its impacts on displaced people started already in the 1960s (Ingersoll 1968), but publications remained scarce and mostly restricted to Canada (e.g. Rogers 1971) and Europe (e.g. Paine 1982) until the late 1980s. With the growing controversies over dam building in the 1990s, research increased steadily. Seen in the wider context of social science, most of the publications on large-scale hydropower development focus on three topics: (a) 'local' resistance, (b) transnational donors and questions of accountability and (c) civil society and transnational networks of activists. Studies on resistance by affected people include Erich Haag's (2004) historical account of the movement against the Urseren project that resulted in the employment of the Swiss Army in Andermatt in 1946 or Jun Jing's (1999) and Robert Fletcher's (2001) work on resettlement in Northwest China respectively Chile. Other scholars have focused on the practice of foreign donors and transnational organisations like the World Bank and the transnational networks of activists that have been challenging the global development regime for the past three decades (e.g. Anders 2008; Clark, Fox, and Treakle 2003; Fox and Brown 1998; Harper 1998). Sometimes, all three groups of actors are integrated in the analysis with activists forming alliances with local communities against resettlement plans and the loss of patrimonial land financed by international institutions as in some of the work on the Sardar Sarovar project on the Indian Narmada river (e.g. Pfaff-Czarnecka 2007; Khagram 2004; Fisher 1995). The dam controversies in India, especially the conflicts around the Tehri and the Narmada projects, represented important conditions of possibility for the Anti-Arun-3 mobilisation, as Chapter 3 will show.

Amita Baviskar's (1995) astute analysis of the relations between Bhilala adivasis and the *Narmada Bachao Andolan* (Save the Narmada Movement – NBA) serves as an important point of reference for my work.

[5] The word adivasi is used all over South Asia as an umbrella term for minority groups that claim to be indigenous to a certain territory.

Baviskar develops a theoretical framework that draws heavily on Ecological Marxism to explain how a gigantic river development scheme like the Narmada project could take shape in post-colonial India. She sees the project as a mistaken endeavour guided by a high-modernist ideology based on heavy industrialisation and irrigated agriculture that solely focuses on the aspirations of a small nationalist elite while neglecting the needs of the poor half of the population for whom "development has been a distant phenomenon, watched from the wayside" (ibid: 25). Baviskar recounts her motivation to live with the adivasis to "discover their relationship with nature, how it changed with development […], and their struggle to create an ecologically sustainable and socially just alternative world" (ibid: 48). Her preconception of these people is informed by the way intellectuals sympathetic to post-development approaches tended to depict them as noble savages who live in perfect harmony with nature and resist development interventions in an attempt to save their modes of livelihood and cultural difference. As her ethnography of the Bhilala shows, things are way more complex than these romanticising and patronising representations. Consequently, she asks:

> Does the lived reality of tribal people today allow the formulation of a critique of development? What is the tribal relationship with nature today? How do people, whose struggles are the subject of theories of liberation and social change, perceive their own situation? […] Given the problematic nature of tribal resource use, how accurately are the lives of tribal people represented by intellectuals in the environmental movement who speak on their behalf (ibid: vii-viii)?

For one, she shows that adivasi politics is not restricted to the NBA. But beyond that, her book impressively engages with the messy internal politics of this movement, the complex relationship between adivasi, upper-caste landowners and urban intellectuals who have been concerned with

> ironing out the awkward parts of the movement […] in order to demonstrate that the movement constitutes a theoretically satisfying challenge to the developmental state, even though the reality in the valley is more ambiguous" (ibid: 227).

These practices, Baviskar concludes, reify the grassroots and with their attempts "to demonstrate that the critique of development actually exists in the lives of adivasis […they…] end up creating caricatures (ibid: 240). This attempt to deal with the micro-politics, the internal conflict lines and contradictions within NGO networks that encompass a complex set of different actors was an important sources of inspiration for my own work on the front lines within the Anti-Arun network and those between the activists and the people in Arun valley (see Chapter 3).

One recent example that attempts to analyse an even further-reaching network of contradicting opinions on a dam is Jon Abbink's (2012) discussion of the Ethiopian Gibe-3 project. His article juxtaposes the

positions of the government, international financial institutions, Western press and NGOs, the Ethiopian diaspora opposition and independent researchers with the "views and interests of local people" (ibid: 126). As I hope has become obvious by now, this research focus resembles mine (and the unfinished business of Gibe-3 is another similarity between the two cases), but given the restricted space of a journal article, Abbink's account of the controversies between a 'high-modernist' developmental state obsessed with dam construction and the other mentioned actors lack in detail. Despite his critique that there is very little knowledge about the affected people, their ideas or opinions on the dam, Abbink himself fails to engage intensively with their position and mentions only in passing their fears about food insecurity and conflicts between different groups as well as their rejection of planned irrigated plantations on their grazing lands. Ironically, he also does not shed any light on who these people are. Building on James Scott's (1998) analysis of state interventions for the purposes of social engineering, Abbink identifies Gibe-3 and the accompanying irrigation schemes as a project by the Ethiopian state to extend its reach, bring in foreign companies and workers and disempower the local population. In his very schematic projection of the future, he sees these people then rendered dispensable, a surplus population (Li 2009) with little political autonomy and marginal agency that can easily be displaced.

Christoph Campregher (2010) presents a more ethnographically grounded account of a dam controversy. He works on the Costa Rican El Diquis dam – another project that is currently in the planning stages – and confines his investigation to the social scientists employed by the project, a group of indigenous activists opposing it, and a study he himself had conducted on the issue several years earlier as an independent researcher. These three contradicting versions of the dam, Campregher claims, correspond with the three main lines of thought in the anthropology of development as outlined by David Lewis and David Mosse (2006): instrumental, deconstructivist and interactional. Following the tradition of Actor-Network-Theory he treats these three accounts as 'symmetrical:' that means he conceptualises them as equally valid accounts of the world and abstains from considering any of them more 'correct' than the others. Through his exact mapping of the mutual relations of and the internal conflicts within the three actors involved, he shows how, despite the contrariety of their representations of reality, all of them depend on each other in order to construct their contradicting versions of the dam. Thereby, he argues, they form chains of translation and "intend to become obligatory points of passage for the others in the network of human and non-human allies" (Campregher 2010: 799).

Considering the social scientific literature on hydropower construction in Nepal, the most extensive recent account is Kavita Rai's (2005, 2007) work on the Kali Gandaki 'A' project in Central Nepal. Interestingly enough, the development of this scheme was one of the main consequences of the Arun-3 cancellation. It featured prominently in the 'alternative scenario' of the Alliance for Energy and was mainly financed by

the Asian Development Bank and the Japan International Cooperation Agency that had stayed out of Arun-3. Rai's work is focused on the impacts of the dam on social inequality in the affected villages surrounding the dam site. Rai argues that through the influx of compensation payments as well as project officials, external contractors and wage labourers the local economy and old patron-client relations underwent considerable changes. Against the argument that such interventions tend to enrich the already better-off while putting an extra burden on marginal households, her material actually shows the opposite: Rai (2005: 199) argues that in the case of Kali Gandaki 'A,' poor, lower-caste households managed to lessen the dependency from their patrons. On the other hand, this increased economic equality has not removed the boundaries of purity and impurity. Not surprisingly, Rai also points to the fact that the dam construction reinforced patriarchal decision-making structures in high-caste Hindu families much stronger than in others, as girls were married off earlier "as a step to protect them from men from outside" (ibid: 201).

Anthropology and Development

This thesis is an attempt to delineate the transition of a development project from post-World War II foreign aid planning to its privatised reincarnation within a Build-Own-Operate-Transfer framework. In 1990, when the masses flocked the streets of Kathmandu to force King Birendra to re-establish democracy and German consultants were overseeing exploratory drillings at the Arun-3 dam site, James Ferguson published his landmark study on development and bureaucratisation in Lesotho. This book was followed by a multiplicity of publications that led to a radically altered discussion of the very concept of development in anthropology. Ferguson's 'anti-politics machine' (1990) broke away from an instrumental view of development so far prevalent in anthropology and applied the approach of Michel Foucault's discourse analysis to the study of a development programme in Lesotho. His main argument was that the alleged failures of development interventions were indeed success stories on a different level: in the strengthening of governmental structures through an increased bureaucratisation. This is what Ferguson calls the development apparatus, a complex of institutions that generates its own form of discourse and constantly reproduces itself through its very own failure, thereby manufacturing specific forms of governmentality that depoliticise everything they touch. Development becomes an unquestionable meta-narrative, an anti-politics machine. Ferguson states that the effects of development occur "behind the backs or against the wills of even the most powerful actors" (ibid: 18). Therefore, he chooses to use the term machine

> to capture something of the way that conceptual and discursive systems link up with social institutions and processes without even approximately determining the form or defining the logic of the outcome. As one cog in the 'machine,' the planning apparatus is not the 'source' of whatever structural changes may have come about, but only one among a number of links in the mechanism that produces them (ibid: 275).

Shortly after that, in 1992, the sociologist Wolfgang Sachs published his Development Dictionary, starting with the programmatic statement: "The last forty years can be called the age of development. This epoch is coming to an end. The time is ripe to write its obituary" (Sachs 1992: 1). Similar in its approach to analyse development as a discursive practice, this edited volume went a step further than Ferguson with its normative claim that development was first and foremost a form of power/knowledge invented by the West as a reaction to the independence of the former colonies in the aftermath of World War II that should be abandoned. As many before and after him, in his dictionary entry on development Gustavo Esteva identifies 20 January 1949 as foundational moment for the age of development when Harry S. Truman in his inaugural speech promised "a program of development based on the concepts of democratic fair dealing" (ibid: 6). Esteva (ibid: 7), however, turns this proclamation on its head by stating that on this very day "two billion people became underdeveloped." Sachs' dictionary was probably the first academic work that took such a resolutely anti-development stance. But it stands out for a second particularity that should prove to be another important defining feature of this new school of thought and the struggles for an end of the oppression of the global South through the omnipresent discursive practices of development that were taking shape in the early 1990s: the strong inter-linkage between scholars and activists from all over the world on theoretical, political as well as personal levels. "This book […] is the fruit of friendship. Over the years, all of us authors […] have been involved in a continuous conversation, spending days or weeks together chatting, cooking, travelling, studying and celebrating" (ibid: 5). In other words, the subsequent rise of the global civil society, the transnational campaign under the heading '50 years is enough' that told the Bretton-Woods Institutions to either 'reform or die' was closely connected to this intellectual project of post-development and can not be thought about without considering it. Activists and intellectuals around the globe enthusiastically greeted this paradigmatic shift of perspective from the actuality of development and its failures to the discursive frame that sustained it (e.g. Roy 2001; Danaher 1994).

The anthropologist most directly related to post-development approaches is arguably Arturo Escobar. His highly influential work on 'encountering development' also starts from Foucault and argues that "the development discourse […] has created an extremely efficient apparatus for producing knowledge about, and the exercise of power over, the Third World" (Escobar 1995: 9). Building on the work of Edward Said (1979), V. Y. Mudimbe (1988), Timothy Mitchell (1988), Chandra Mohanty (1991) and Homi

Bhabha (1990), he identifies development as a regime of representation as well as a place of encounter "where identities are constructed and also where violence is originated, symbolized, and managed" (Escobar 1995: 10) and reads it as a continuation of 'the colonial encounter' (cf. Asad 1973). Following from this unmasking of development as a historically produced discourse, Escobar claims that the way forward could only be a deconstruction of this discourse. At the same time, he argues in line with Mohanty (1991), this deconstructive mission has to go hand in hand with a project of reconstruction. To him "this simultaneous project could focus strategically on the collective action of social movements: they struggle not only for goods and services but also for the very definition of life, economy, nature, and society. They are, in short, cultural struggles" (Escobar 1995: 16). One of his main conclusions – and one of the main lines of his subsequent work – is therefore, a call to focus on the ways in which people in the global South have been resisting development interventions and to engage them in a discussion to imagine an alternative to development. Subsequently, post-development gained traction among academics and activists around the globe, leading to a highly productive discussion (e.g. Ziai 2007; Rahnema 1997; Rist 1997).

While the two most significant hypotheses of this school of thought have seldom been contested – i.e. that the classic concept of development on the one hand is Eurocentric and on the other hand has authoritarian and technocratic implications – this categorical attack on development and the call for its outright abandonment led to a heated debate. One common line of critique on these deconstructivist approaches from within anthropology has been the pragmatic demurral that the issues connected to both development work and discourse – from growing global inequality to environmental degradation – are real and therefore there remains an urgent need for anthropologists to engage with them (e.g. Edelman and Haugerud 2005; Olivier de Sardan 2005). Another objection, structurally related to some of the responses to Edward Said's (1979) landmark work on Orientalism, accused the 'post-developmentalists' of not taking into account the heterogeneity of development projects and their tendency to represent development discourse as omnipotent and monolithic. Recent studies (e.g. Mosse 2005; Harrison 2003) have argued that the 'development machine' is far from being a consistent system of domination that turns whole societies into passive recipients of foreign aid.

Other critics have pointed to post-development's essentializing praise for social movements that was considered methodologically inconsistent as they on one side proclaimed an all-pervasive discourse, while on the other side social movements seemed somehow to operate outside of it. Beyond that, the celebration of the indigenous and its juxtaposition to an authoritative, extractive, often corrupt state was accused of a covert neoliberal agenda of privatisation that did not take into account that the interventions of NGOs could be as destructive as those of the state (Kiely 1999). The most astute critique of post-development I

find however the observation put forward by James Smith (2008: 3-4) that the deconstructivist movement starting in the late 1980s was attacking a development regime that was already ceasing to exist. With the emergence of structural adjustment and radical free-market ideology, its attack on large state and international institutions was happening at the same time as these actors were radically changing the rules of the game and their own rules of engagement.

Two decades later, development is still around and I believe it is safe to say that the end of its age is nowhere to be seen. This, however, does not mean that the deconstructivist critique put forward did not have an impact. This thesis is an attempt to show how developmental agencies like the World Bank reacted to the challenges by critical scholarship and civil society mobilisation in the 1990s and how these interventions changed the way the World Bank is doing business in an unforeseeable way: it managed to incorporate the critique, co-opt many of its fiercest opponents into its system of knowledge production and re-invented itself through a new modus operandi that Michael Goldman (2005) aptly identified as green neoliberalism (see Chapter 3). The Arun-3 project was instrumental in the coming-into being of this new development paradigm. But there is a second tectonic shift in international development politics that might prove to be even more important than the greening of Western donor agencies following the example of the Bank: the manifold increase of the money spent on development projects abroad by countries like China, India or Brazil as a result of the rise of a new, multi-polar system of world politics and economics. I will deal with this topic in more detail in connection to the reincarnation of the Arun-3 dam through the Indian company SJVN in Chapter 7.

Coming back to the anthropology of development, recently several voices have proposed to move beyond the normative debate of whether development should be reformed or abandoned and focus on an ethnographic engagement with development as a practice. David Mosse argues for a 'new ethnography of development' reminding us that "the ethnographic question is not whether but *how* development projects work" (Mosse 2005: 8, emphasis in original). One example for such an approach is Tania Li's (2007) ethnography on improvement programs in Indonesia that explores both the 'improvers,' the agencies and their employees who plan these interventions as well as the rural populations and places they target. To translate the 'will to improve' into concrete programs, she argues, two key practices are required: problematization, i.e. the ability to identify "deficiencies that need to be rectified" (ibid: 7) and "rendering technical," following the aforementioned work by Ferguson and Mitchell who show how this process is disembowelling development interventions of their political implications. While drawing heavily on work informed by Foucauldian conceptions of discourse and governmentality, Li cautions us not to imagine these as all-persuasive and instead draws our attention on the limits of their reach. Skilfully connecting this body of theory with both Marxian political economy and Gramsci's work on hegemony, she shows

how fragile attempts to improvement through specific development projects are. This theoretical hybridity – Li calls it untidiness – leads to a highly productive account that brings together an "analysis of governmental interventions (their genealogy, their diagnoses and prescriptions, their constitutive exclusions) and analysis of what happens when those interventions become entangled with the processes they would regulate and improve" (ibid: 27). What is relevant for my case here and where I see a similarity in Li's project and mine is her intention "to explore the positionings that enable people to practice a critical politics. I also explore positionings formed through the will to improve: the position of trustee, and the position of deficient subjects whose conduct is to be conducted" (ibid: 24). These three positionings are fundamental in the Arun-3 controversy as well: the activists, the experts and the directly affected people.

Situating civil society and the state of Nepal

The second thematic thread that is running through this work is its concern with another chronically fickle subject: the concept of civil society. Not only was the Anti-Arun-3 campaign the first transnational civil society movement that originated from Nepal, but also the recent re-invention of the controversial dam project has sparked civil society mobilisation in the region, Kathmandu and Europe. Despite the fact that the term 'civil society' already appears in John Locke's (1960 [1690]) Two Treatises of Government and was a significant category in the work of the Scottish enlightenment philosopher Adam Ferguson (1995 [1767]), the concept did not gain much prominence until the 1990s. Adam Seligman (2002: 14) proposes that the idea of civil society emerged at the end of the seventeenth century to come to terms with a crisis in social order similar to the one that has led to its recent resurgence. But, as Richard Day (2005: 53) notes, in the context of early liberalism, the meaning of 'civil' is much closer to 'civilised' than it is to 'private'. In Locke's understanding, civil society is not opposed to or even differentiated from political society in the way it is conceptualized by recent theorists, but mainly different from an imagined 'natural' state of affairs. While this understanding is still visible in Hegel's and Marx's discussions of 'bürgerliche Gesellschaft,' Alexis de Tocqueville argued that the big number of associations in the United States was a source of democratic strength (Lewis and Kanji 2009: 124), thereby anticipating the shift in meaning that would only much later fully take shape.

In the early twentieth century, Antonio Gramsci conceptualised civil society as the central venue where the struggle for hegemony in modern societies is enacted, the site "into which state power was projected and consolidated in capitalist societies, but also as a location where contestation and resistance to hegemonic power was possible" (ibid). In his prison notebooks (Hoare and Nowell Smith 1971: 12), he

asserts that modern Western societies contain of two major superstructural levels: civil society and political society or the state, but as his editors complain, Gramsci "did not succeed in finding a single, wholly satisfactory conception of 'civil society' or the state" (ibid: 207). Seventy years after Gramsci's death, scholars are still struggling with the term and the global eruption of activist networks and non-governmental organisations since the fall of the iron curtain has further complicated the search for a clear demarcation. Despite the effort of many scholars (e.g. Rupnik 1979; Keane 1988) to establish a systematic classification, there is very little consensus on the defining features of civil society when reviewing the vast literature on the subject. John and Jean Comaroff (1999: 6) suggest that its transnational appeal stems exactly from this polyvalence, its intrinsically protean characteristics. Along those lines Shalini Randeria (2007: 105) calls it a relational concept "that can only be understood in the matrix of a set of interdependent ideas and institutions - nation-state, market, public sphere, citizenship, rights-bearing individuals." The pragmatic solution, then, is to define civil society negatively (Gellner 2010: 1), that is, to state what it is not: "not a part of the household, the state or the market" (Lewis and Kanji 2009: 121) – a strategy that is also apparent in the somehow awkward collective name 'non-governmental organisation.' Furthermore, as many scholars have argued, "analysts who refer to civil society are not all talking about the same set of associations" (Fisher 2010: 252). To prove this point, Michael Edwards contrasts the libertarian Cato Institute's vision of civil society with that of the leftist Advocacy Institute. While for the former it means "fundamentally reducing the role of politics in society by expanding free markets and individual liberty," it is "the single most viable alternative to the authoritarian state and the tyrannical market" for the latter (Edwards 2009: 2). When it comes to a characterisation of NGOs, analogously contradictory testimonials can be found (Fisher 1997b).

These statements show that the concepts of civil society and non-governmental organisation are highly essentialized categories that too often are used "as if they carry some analytic meaning when in fact they carry very little" (Fisher 2010: 252). Following William Fisher's (1997b: 447) call to "break down the 'black box' categories of NGO and civil society and examine the way organisations so designated operate in local, national, and transnational context," Chapters 3 and 4 will retrace the civil society movement around the Arun-3 project from 1990 until the building freeze of the dam in 1995. Instead of thinking about civil society as a sector that is either in favour of or in opposition to government actions, Fisher suggests to focus "on the processes and not merely the institutions of civil society" (Fisher 2010: 255). To push this point further, I will engage with Partha Chatterjee's (2002, 2004, 2011) new take on Gramsci's distinction between civil society and political society in Chapter 3. I will argue that the main reason why the majority of the affected people in the Arun valley were positive towards the dam project was the promise to be included into the realm that Chatterjee calls political society; or, to put it differently, the

hope that the through the dam project the state would start to take care of its rural, marginalised citizens that for centuries had been discriminated against.

Sudipta Kaviraj (2001) highlights another problem: in applying Western political and sociological theory to the conditions of civil society in the global South, a number of false assumptions arise. Most importantly, he points to the totally different relationship between the state and civil society in European and non-European history. Because the European bourgeoisie was generally in favour of democratisation, (post)colonial elites were often considered to behave in a similar fashion after the end of colonial rule over most of the world. But whereas Western democracies emerged out of a centuries-long struggle and a clear-cut opposition between civil society and the state, this was hardly the case in the postcolony. Through the success of nationalist movements, Kaviraj (ibid: 314) argues, "these elites laid claim to a right to mobilise all sections of society, and extended the state's influence over all spheres of social life. This is one significant paradox of post-colonial 'civil society' or rather its absence." Out of this "rare combination of power and utter dominance over the moral imagination of its people" (ibid.), postcolonial nationalisms tended towards unrealistic expectations about their abilities to facilitate economic development and an over-extension of the state that contributed to a process of bureaucratisation. Often, the new elites were keen on forging alliances with the military in an attempt to secure their position and benefice. In their imagination of a consensus on development and nationalism, a sphere of civil society separate from the state was not considered necessary.

Read against this background, the relationship between the state and civil society in Nepal has much more in common with the European experience. First of all, the country was never occupied by a Western colonial power and the monarchy of the Shah family that established the nation state in the late 18th century lasted until 2008. Secondly, the system introduced by the Rana Prime Ministers who effectively ruled the country from 1846 until 1951 had very close resemblances to European forms of absolutism (Gellner 2007: 7-9): opposition was brutally oppressed, dissidents executed and education severely restricted. The two major political parties – *Nepali Congress* and *the Communist Party of Nepal* (by now split up in a multiplicity of fractions) were founded in exile in India in the late 1940s. After a short democratic experiment, all political parties were again outlawed in 1961 before the establishment of the autocratic Panchayat regime. This system shared many similarities with the postcolonial regimes Kaviraj describes, most prominently its ideological grounding in developmentalism and nationalism, but with the denial of democratic participation it only served a small part of the high caste bourgeoisie to establish itself within the structures of the state. Those who remained committed to democracy were mostly excluded from it and continued their illegalised activities. With the slow demise of the regime during the 1980s, the government reluctantly allowed the establishment of NGOs and many of these organisations were very

closely related to one of the parties. This history of oppression led, on the one hand, to a burgeoning civil society sector once democracy was reinstated in the 1990s, and on the other hand, it resulted in a very close relationship between NGOs and political parties that still prevails. I will return to this issue in more detail in Chapter 3.

Chapter Overview

In arranging my material for the purpose of this thesis, I decided to settle for a by and large chronological structure. Up next is a short discussion of the methodology and methods used in this multi-sited study, an introduction to my field site in the upper Arun valley, Kathmandu and elsewhere and a discussion of how this particular field site materialised. The two following chapters will tell the prehistory of the invention and cancelation of the Arun-3 hydropower project. Through a discussion of the access road to the dam site, Chapter 5 will serve as hinge between these two more historical chapters and the last two chapters that are predominantly set in the present. They are concerned with narratives on the cancelation of the dam in the villages surrounding the dam site and the reincarnation of the project. But let me introduce them in more detail.

Chapter 3 deals with the origins of the campaign against the dam in Kathmandu in the early 1990s. It will first contextualise it with the popular uprising of 1990 that led to the re-instatement of multi-party democracy. Simultaneously, this will provide some background for the complex relationship between India, China and Nepal. Subsequently, I will discuss the emergence of an activist group that was critical of the plan to construct a dam in the upper Arun valley. After showing the conflicts within the network, I focus on the peculiar fact that the activists decided to establish connections with NGOs in the donor countries and against organising the affected people in the Arun valley against the project as the prospects of success for such an alliance seemed slim. Alongside Partha Chatterjee's distinction between political and civil society, I will argue that the main reason for this non-alliance was the affected people's hope that through the dam project the state would start to take care of them.

The fourth chapter will continue to trace the history of the Arun-3's first incarnation in the 1990s and shift its attention to the World Bank. It will answer the question of how this project became the cheapest option in a country full of promising hydropower sites by a close reading of the reports produced by the Bank's staff and consultants. Its main focus, however, will be on the investigation by the World Bank Inspection Panel in 1994/95 that led to the withdrawal of the Bank and subsequently to a building freeze as all other foreign donors followed the example of the Bank. I will do this by examining the memories of former World Bank staff members, a former employee of the Inspection Panel and, to a lesser extent, the

anti-dam activists. I will argue that the investigation played an instrumental role in the establishment of the World Banks most recent development regime that Michael Goldman has termed 'green neoliberalism:' the redefinition of the Bank's modus operandi through the integration of global discourses on the environment and indigenous rights in its discursive framework.

Chapter 5 focuses on the most important change that will come along with the dam for the people in the upper Arun valley: the construction of an access road later to be extended to the Chinese border. I will discuss the centrality of road projects for modernist projects of state-making in the context of the shifting relationship between Nepal, China and India on the one hand and the complex history of relations between the Nepalese state and the upper Arun valley. To avoid a reading of roads as a simple technology of rule, I will follow Penny Harvey's call for a topology of roads that is interested in the uncertain outcomes of their construction. This will be elaborated by reference to my interlocutor's ambivalent feelings towards the access road that is full of opportunities and possible dangers. Moreover, through a discussion of mythology and ritualistic forms of travelling, I will argue that indigenous communities all over the Hill region of Nepal have a deep sense of being marginalised 'in the middle' between Tibet and India.

The sixth chapter explores how the affected communities around the proposed dam site have coped with more than two decades of uncertainty. Presenting their narratives as to why the dam never materialised, I argue that people in the upper Arun valley, through their specific encounter with white biologists and conservationists, have learned to conceptualise interventions by foreigners as pretext to the appropriation of local resources. In combination with the practices of the state that in order to promise development at the same time produces a deep feeling of backwardness in its rural citizens, the narratives of my interlocutors often switch between a strong desire for development and the outspoken refusal of its possibility. To me, this was even more unsettling in light of my impression of an outright economic boom in the area connected to the introduction of cardamom farming.

The final chapter then focuses on the recent reincarnation of the Arun-3 dam under radically altered circumstances: as a mainly export-oriented scheme to be developed by an Indian state-owned corporation. After a contextualisation of Indian foreign aid in the perspective of current discussions on so-called emerging donors, it juxtaposes the positions of four sets of actors concerned with the new Arun-3: Indian engineers, water activists in Kathmandu, indigenous activists in the upper Arun valley and a British NGO. I argue that while the position of the engineers and the Western activists is entirely antithetical, both operate with a similar imaginary of the indigenous other: a subject that is in need of benevolence. The urban water activists restrict their opposition against the dam to the Supreme Court and the parliamentary

system and do not intend to forge any alliances with the affected people. They understand the reincarnation of the project as a form of neocolonial resource extraction and accuse the political and bureaucratic elite of being complicit with India; therefore consistently acting against the national interest when it comes to water related issues. The indigenous activists of *the Yamphu Kirat Samaj*, finally, use the dam in a struggle of recognition on multiple levels. They are cautiously positive about the dam, but the experience that neither SJVN nor the government seems to acknowledge their demand to be included in a dialogue gives rise to serious concerns about the trustworthiness of the state and the company. Moreover, in the context of an imminent federal reform, the dam project has become a site for territorial claims over the upper Arun valley – not only towards the state but also in opposition to other indigenous groups.

2 Constructing the Field

Methodology and Methods

As I hope has become apparent by now, this work deals with "an object of study that cannot be accounted for ethnographically by remaining focused on a single site of intensive investigation" (Marcus 1995: 96). It engages with the opinions and narratives of people as divergent as village teenagers from an indigenous minority in rural North-Eastern Nepal and retired World Bank staff members in Washington, DC. Therefore, it operates within the methodological framework of multi-sited ethnography. The shift to multiple sites of observation intends to traverse dichotomies such as the 'local' and the 'global' to account for the complexity of social formations in an increasingly connected world system. It constitutes a necessary prerequisite to follow the people and discourses that are instrumental for an exploration of the twisted tale of the Arun-3 project and is informed by recent calls for a practice of an anthropology of the contemporary (Rabinow et al. 2008: 55-71; Rabinow 2009); an anthropology that is engaged with events in the here and now, but at the same time keeps a certain untimeliness towards the present. Borrowing the term from Nietzsche's *Unzeitgemäße Betrachtungen*, Paul Rabinow uses 'the untimely' to delimitate an anthropological mode of inquiry that is guided by a "critical distance from the present that seeks to establish a relationship to the present different from reigning opinion" (Rabinow et al. 2008: 59). Contrary to a journalist writing on contemporary issues, the anthropologist, he argues, is operating in a different temporality as the tools she has at hand for inquiry slow her down. This gives her the potential not to partake in the production of talking points or the policing of new ideas and instead focus on the problematization of the issue at hand. Thereby, the task of the anthropology of the contemporary is "to invent concepts to make visible what is emerging" (ibid: 64).

Multi-sited ethnography has been practiced for quite some time now. Beyond that, George Marcus reminds us that "empirically following the thread of cultural process itself impels the move toward multi-sited ethnography" (1995: 97) and that "fieldwork as traditionally perceived and practiced is already itself potentially multi-sited" (ibid: 100) – take for example anthropologists' long-standing interest in nomadism (e.g. Barth 1964) or migrants (e.g. Lewis 1961). Taking this 'pursuit' seriously, my project aims to combine a thick ethnography of the processes in the upper Arun valley with the autobiographical narratives of experts and activists. While the latter provided rich accounts of the events of the 1990s, from an ethnographic point of view these remain 'thin' in my discussion, as the retrospective character of the matter restricted my possibilities for inquiry considerably.

The discussion on the potential and dangers of multi-sited ethnography has by now attracted a great

amount of contributions (e.g. Coleman and von Hellermann 2011; Falzon 2009). The main point of criticism has been the fear of losing the thick descriptions of specific people in specific places that used to define 'Malinowskian' anthropology for a much thinner account of global networks, modern institutions or Western experts (Tomlinson 2011). Marcus's (1998) response was the pragmatic proposition of an 'ethnography through thick and thin.' In defining which sites in a multi-sited research should be investigated thickly and which not, he argues for a "strong accountability for intended structured partiality and incompleteness" (Marcus 2011: 21).

But beyond that, there is another methodological problem that has to be addressed in a research project that relies heavily on the narratives of people whom we generally tend to call 'experts' to reconstruct the history of the Arun-3 dam: bureaucrats, World Bank staff members, scholars, lawyers, hydrologists, engineers. Current anthropological research is increasingly engaging with people and topics that have not been part of the terms of reference of the discipline as they were laid out in the early twentieth century. Often, the actors in multi-sited studies operate in circumstances that structurally and conceptually resemble the academic field. Ethnographies of mobile, transnational subjects like public health experts (Caduff 2012), international peace experts (Kosmatopoulos 2011) or investment bankers (Leins 2011) provoked anthropologists to develop the long-standing practice of self-reflexivity (e.g. Bourdieu and Wacquant 1992; Clifford and Marcus 1986) further. To come to grips with doing ethnographic fieldwork in these radically altered circumstances, Douglas Holmes and George Marcus (2008) argue for an experimental research design they call 'para-ethnography.' This new program conceptualises fieldwork as a collaborative endeavour between anthropologists and the people they work with: "Key to this refunctioning is drawing on the analytical acumen and existential insights of our subjects to recast the intellectual imperatives of our own methodological practices." They notice that ethnographic methods "have been assimilated as key intellectual modalities of our time" and that our interlocutors are "fully capable of doing superb ethnography in their own idioms" (ibid: 82). Therefore, "[a]nthropologists are not needed to add 'critique,' moral injunction, or higher meaning to these accounts" (ibid: 84). So, in contrast to the bilateral encounter between researcher and native informants in traditional ethnography, para-ethnography is much more like an ensemble production in contemporary theatre "which works through synchronisation, or perhaps better, a film montage, in which relations among disparate and apparently disconnected items are established (Westbrook 2008: 50).

In my case, such a collaborative approach did only partially emerge out of my own methodological considerations and was definitely not part of a preconceived research design. To the contrary, I am not sure if I would have been able to avoid it. Or, to put it differently, I believe that a refusal to collaborate with my expert interlocutors would have seriously threatened their support for my research. And it was

actually an encounter with two of my interlocutors who led me to think about this approach more thoroughly. As I will discuss in Chapter 4, it was actually two staff members of the World Bank office in Kathmandu, who suggested a collaboration because they had realised that their co-workers were eager to learn what had happened to Arun-3 and hoped that I could shed light on this mysterious chapter of their organisation.

In the villages of the upper Arun valley around the proposed dam site, on the other hand, my fieldwork was much more in line with the methods and methodologies developed in the anthropology of the early twentieth century for work in rural settings. As much time as possible I spent listening, talking and observing. Through a chain of fortunate coincidences I had made contact with Chun Bahadur Yamphu Rai before my first arrival in the area in autumn 2008. Born and raised in Hedangna, one of the villages directly above the proposed dam site, he was eager to work with me. A big part of the fieldwork in the Arun valley we conducted together, developing our research design and questions along the way through an extended dialogue that is still underway. For this purpose, his longstanding experience with methods of participatory rural appraisal (Rachbauer 2010) combined with his deep knowledge of the history, economy and politics of the upper Arun valley and his extensive personal networks in the region proved to be a decisive asset. Furthermore, his membership in the *Yamphu Kirat Samaj*, an organisation that represents the indigenous group the majority of the inhabitants around the dam site identify themselves with, and his involvement in the *Indigenous Rights Forum* in Khandbari helped me to further disseminate my findings among the interested public in the area.

My position was completely different in the offices of the World Bank in Kathmandu or the living rooms of retired Bank staff in Europe and the United States. Yet, another problematic came to run through my interaction with these experts in their different domains while I was attempting to trace the invention and cancelation of Arun-3: the relations among themselves and the way they prompted me to reveal what others had told me. All the actors were of course deeply familiar with the project history and the people involved with it, but many of them had not spoken to each other in almost two decades. So, time and again, they wanted to know what their former opponents had told me and how they evaluated what had happened in hindsight. Often, this presented me with a very graspable crisis of representation: How could I speak for my interlocutors, even more so in front of their former adversaries? Confronted with these attempts to use me as informer, I settled for a form of 'uneasy complicity' (loosely borrowing from Marcus 1997) with my present interlocutor that confirmed his[6] preconception of the absent other in the hope to get over this interrogation without giving away too much and compromising the latter's narrative. Despite the uneasiness these situations caused, they illustrate Holmes and Marcus's (2012: 130) statement

[6] All of these incidents happened in conversations with men.

that "collaboration is overt, epistemic, and mutually invested in" as they show how my collaborators used my knowledge and me for their own purposes. To acknowledge these instrumentalisations as manifestations of a mutual investment leads to a decentring of the anthropologist in the research process: instead of understanding myself as the point where all the information would come together, I realised that my position was only one node in a rhizomatic network of entangled relations and opaque agency.[7] That I was navigating a field of 'always already' collaborating actors became all too apparent when at some point a retired World Bank staff member living in Washington, DC contacted me to arrange a meeting in Zurich. He had heard about my work from one of my collaborators at the Bank's office in Kathmandu.

To cope with this highly dispersed field site and the multiplicity of actors, languages and types of texts involved, I used a mix of methods (participant observation, informal interviews, formal semi-structured interviews, archival research) in a transversal manner across all of the research sites. These include the villages around the dam site in the upper Arun valley, the district headquarter Khandbari (a one-day walk south of the dam site) as well as Kathmandu, New Delhi and Washington, DC. Apart from that, I also conducted interviews in Zurich, Munich, Berlin, Oxford and Santa Barbara and visited the archive of a German NGO in Sassenberg. Altogether 120 formal interviews were conducted of which 72 were recorded and transcribed. The Nepali interviews were translated and transcribed with the help of Sarbani Kattel and Sushil Manandhar. Beyond that, more than a hundred informal conversations took place between 2008 and 2013, spread across the field, but most of them in the villages around the dam site in the upper Arun valley. I spent seven months in Nepal for this research project with the main fieldwork period from September 2010 until March 2011.

Most of the direct quotes I will cite throughout this thesis come from the recorded interviews. When my interlocutors did not want to be recorded, I felt it to be inappropriate to ask for their permission or I had no recording device at hand, I took exact notes and reconstructed the quotes I found most important as soon as possible after the end of the interview. All these conversations were semi-structured formal interviews, but they took two distinctly separate forms: in the upper Arun valley, I had a set of ten questions that I tried to follow through with most of my interlocutors to achieve a level of comparability that would allow me to estimate what the most common opinions on the dam and development in general were. After these questions, I tried to open up the discussion by coming back to things my interlocutor had mentioned and adding specific questions. Many of these conversations I led together with Chun Bahadur whose interventions often prompted our counterparts to discuss the raised topics much more controversially than had it just been me alone with my hesitant Nepali. Considering the complex

[7] I thank Salla Sariola for pointing this out to me.

composition of society in the upper Arun valley when it comes to ethnic/caste affiliations, I tried to talk to as many 'different' people as possible. Due to the demographics in the villages around the proposed dam site and my entry to the field, however, there is a clear dominance of people defining their caste identity as Yamphu Rai in my sample. The ratio between men and women is about three to two.

The conversations with the people considered as experts followed a different script. While I also went into these encounters with a clear set of talking points, my approach was far less structured and much more committed to improvisation. To some extent, this is owed to my better language skills in English than in Nepali. But beyond that, my interlocutors often made it clear from the outset that our conversation would not be a simple Q&A and a different set of interview techniques was indicated. In many cases, these dialogues started with them checking my credentials through asking me who I had already talked to, what I knew about the resumption of the dam project and what my opinion on the issue was in general. My main aim was to collect personal narratives of how they had become related to the dam and how they remembered this relationship for as long as it lasted. To do this, I drew on my previous experience with biographical interviews, mostly derived from my work with Holocaust survivors and youth groups for an Austrian NGO between 2000 and 2009. In the course of a conversation and once a narrative flow had been established, I often left the self-restrained attitude common to conducting narrative interviews and provoked my collaborators with opinions contrary to their own.

One more site of inquiry requires mentioning. As in many recent anthropological research projects, my interaction was not restricted to human counterparts, but also included a great number of documents and reports. Those had been issued by the institutions planning the Arun-3 scheme, activists opposing it and organisations like the World Bank Inspection Panel evaluating it. In his ethnography of paperwork in Islamabad/Rawalpindi, Matthew Hull (2012) puts his focus on how bureaucratic documents are produced but at the same time how documents produce realities themselves. He claims they have been overlooked by anthropologists for such a long time "because it's easy to see them as simply standing between the things that really matter, giving immediate access to what they document" (ibid: 13). Against such a reading and following Latour, Hull suggests to treat documents as mediators: things that "transform, translate, distort, and modify the meaning of or the elements they are supposed to carry" (Latour 2005b: 39). To do this, he meticulously engages with the materiality of the documents he studies, their surfaces, the ways of inscription and the 'graphic ideologies' defining specific forms of documents as well as their movements through institutions.

His book describes "the heterogeneous relations that come into being through the use and circulation of the artefacts that mediate almost all bureaucratic activities" (Hull 2012: 21). Such an understanding of documents is a very promising vantage point for my discussion of the history of the Arun-3 as well. And

while, unlike Hull, I was not able to trace the production of "my" documents in the making (nor their materiality, as I never dealt with the originals but with their electronic versions or photocopies retrieved from the archives of NGOs in Nepal and Germany), but am confined to a historical reconstruction, the narratives of my interlocutors show this interaction between people and papers, or, to borrow from Annemarie Mol (2003: vii), how documents are "enacted in practices."

Mapping the Field

In November 2010 I was invited to celebrate Tihar at Chun Bahadur's house in Khandbari. This festival concludes the autumn festival season in Nepal. For the past six weeks I had been living in the villages around the proposed dam site of the Arun-3 hydropower project. With around 26,000 inhabitants, Khandbari is the biggest town in the area. It is the headquarters of Sankhuwasabha district and the main hub for information and commodities in the upper Arun valley of Eastern Nepal. Its centre hosts a large commercial area with government offices, outlets of the main national banks, hotels and hostels catering to both Nepalese and foreign tourists, travel agents and all kinds of small-trade. Adjacent to this area is a big marketplace where a weekly market (*haat bazaar* [N]) is held every Saturday. Khandbari proved to be one important node in the complex field of Arun-3. At the time, the company in charge of the reincarnated Arun-3, the Indian SJVN, had recently opened a project office there. It had also been an important location during the campaign against the project in the 1990s.

Soon after I had arrived, Chun Bahadur reminded me of Rohit. I had heard his name already from one of the former activists in Kathmandu. Rohit had been among a group of people in Khandbari who initially joined one of groups critical of the project. They soon, however, left this network to form an organisation called *Arun Support Committee* (see Chapter 3). In retrospect, he told me:

> Arun-3 was a topic of interest to outsiders more than the local people. People from Kathmandu, New York, India talked about it a lot. Still now when I think about Arun-3, I wonder who has vested interests in it (Interview 2).

Apart from highlighting the severe suspicions people in the region had towards outsiders involved in Arun-3, this comment shows how far reaching the network of people and places engaged in this dam is. I thus conceptualise Arun-3 as a global assemblage (Ong and Collier 2005) that is dependent on a large number of actors spread out around the globe. For this study, four places proved to be decisive: the upper Arun valley with the dam site, the surrounding villages and Khandbari, Kathmandu, Washington, DC, and New Delhi where SJVN has one of its two headquarters. Except for the upper Arun valley my fieldwork was mostly restricted to offices and archives and most of the interaction with my interlocutors

happened during formal interviews. In the villages around the dam site, on the other hand, my methodology was strongly driven by methods of participant observation and informal interviews. In order to contextualise these different arenas, let me introduce the people I met in the upper Arun valley, their economic and social relations and the environment they live in before briefly discussing my fieldwork experiences in Kathmandu and elsewhere.

The dam site

The Arun-3 dam site is located around 200 km east of Kathmandu, 300 meters upstream the hamlet of Phyaksinda in the upper Arun valley at an altitude of approximately 800 meters. Here, a sinuosity in the course of the Arun River creates favourable conditions for a pondage run-of-the-river hydropower scheme. Phyaksinda is only 30 km south of the Chinese border and the Arun is one of the very few rivers in Nepal that break through the main ridge of the Himalayas: "Cold and grey, the Arun River is older than the Himalayas. Her advanced age is indicated by her drainage, for she defies the normal laws of watershed and cuts right through the axis of the mountains" (Cronin 1979: 15). Because the two main summits to the east and west are Kanchenjunga and Makalu, the world's third and fifth highest mountains, Edward Cronin (1979) labelled the Arun valley as the "the world's deepest valley." For centuries, it has served as a corridor for migration between India and Tibet and was an important route in the salt trade network between the two regions. Only with the recent political and technological transformations – namely the closure of the Tibetan border with the Chinese annexation in 1950/51 and the invention of the combustion engine – has the Arun valley attained a peripheral status. With Arun-3 and the proposed *Kosi-Lhasa Rajmarg* [N] (Kosi-Lhasa Highway), it seems fair to assume that this period of marginality will eventually pass and the region might serve as one important node in the emerging network of overland routes between India and China.

Since 1987, the plan has been to construct a dam of around 65 meters height and divert the ponded water through an eleven kilometre long tunnel to a powerhouse with an installed capacity of either 201 MW, 402 MW or 900 MW (for more technical details see Chapter 4). The two municipalities affected by the dam site are the Village Development Committees[8] (VDCs) of Num and Pathibhara while Diding VDC a day's walk downstream will host the powerhouse. In 2011, Phyaksinda comprised of six houses, one of them newly built to accommodate the needs of visiting engineers from SJVN. As the whole settlement is below the proposed dam, none of the houses would be submerged by it. There is, however, one family

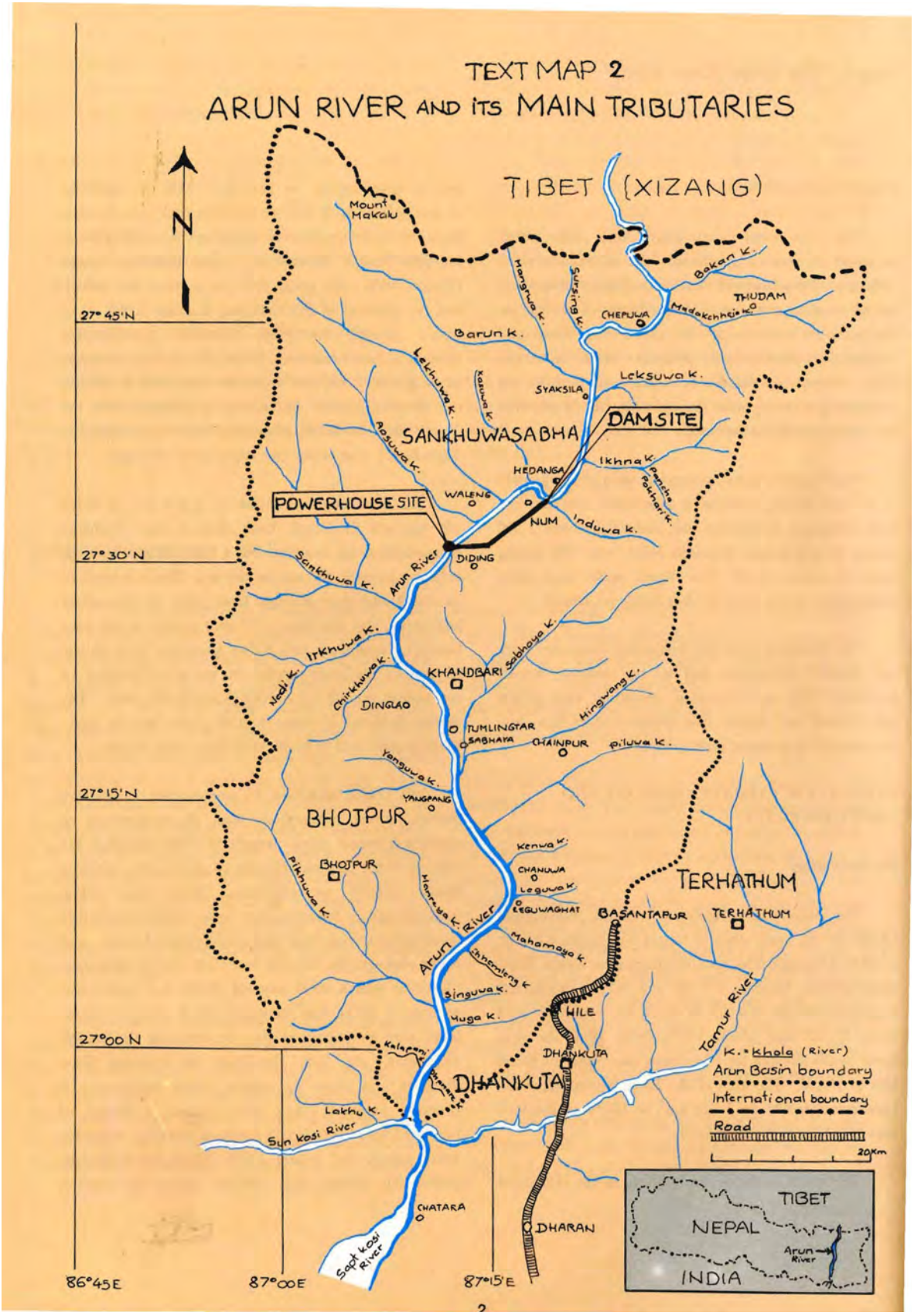
[8] VDCs represent the lowest level of administration in Nepal. Their functioning is similar to municipalities in other countries.

further up on the western ridge that might have to leave their farmstead once the dam would be constructed according to several of my interlocutors. This house – the only one that might actually drown in the storage lake – is part of a hamlet called Chillingte whose inhabitants, approximately fifteen households, will be the most directly affected in terms of land lost due to the reservoir lake. Because of the steep gradient most of the forest on these plots has never been cleared and is used extensively as grazing areas, for timber, fire wood and non-timber forest products. Only recently, with the introduction of cardamom to the area, the usage of forest areas has undergone a radical change that that has led to a massive revaluation. Therefore on both sides of the valley, several small cardamom plantations will fall victim to the storage lake.

As in many parts of Nepal's mid-hills, the bigger settlements are located further uphill where the slopes are less steep and the soil often is more fertile than on the valley floor. The two villages directly above the dam site are called Hedangna and Num. Both are located approximately a one-hour walk above it, lie at an altitude between 1200 and 1500 meters and comprise of approximately 250 households each. Num is situated on the south eastern side of the valley and at its centre, on top of the ridge; it spots the central bazaar of the upper Arun valley. This market is the most important transit point for cardamom traded to Khandbari and further to India and the northernmost market on the way towards the Chinese border. Unlike Hedangna, Num is also on the main trail to the Makalu-Barun Trekking Area and among a handful of guesthouses catering for the few individual Western trekking tourists, SJVN has established a branch office. Hedangna, on the other hand, lies within the buffer zone of the Makalu-Barun National Park whose eastern boundary runs along the right bank of the Arun. The main argument put forward by Nepalese and American ecologists for the establishment of this nature reserve was the Arun-3 dam that would require a decisive conservation strategy as compensatory measure. When it became operational in 1992, it represented a decisively participatory approach to nature conservation in Nepal as it was committed to integrate the people living in the area and see them as partners in the process, not as obstacle to conservation. Today the Park does not severely affect everyday life in the village (see Chapter 6). Its main offices are located further south, hardly any tourists pass through Hedangna and despite the restrictions concerning hunting and forest use, the park rangers rarely show up in the village.

Economy

Despite these new opportunities, the vast majority of the residents in both settlements are subsistence farmers, who grow rice, red millet and maize as main crops as well as different pulses. Apart from teaching positions and a few other government jobs, wage labour is mostly restricted to small trade like shop



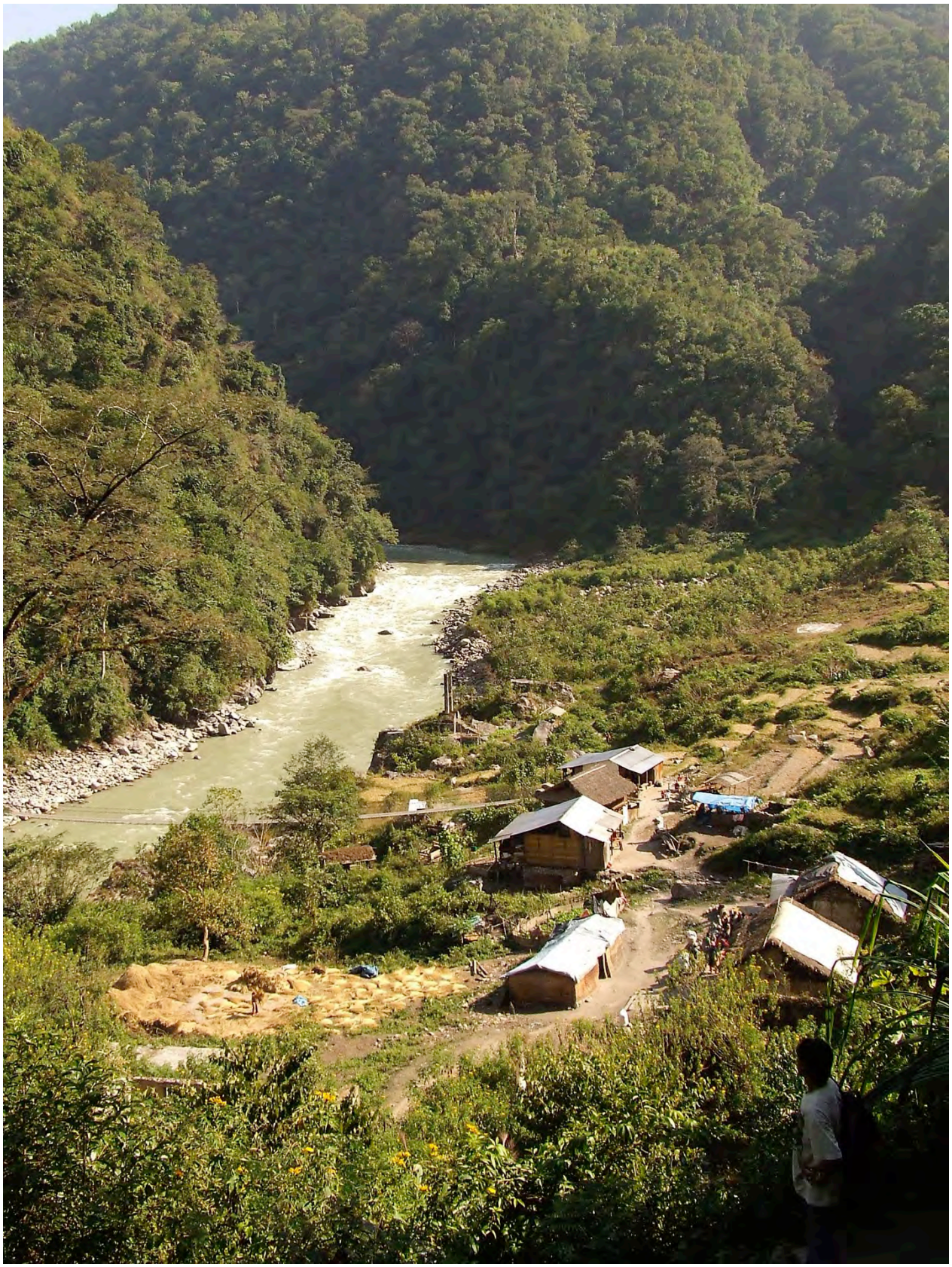
Ill. 3: The Arun-3 project area (Dunsmore 1988: 2).

keeping, tailoring, gold and blacksmithing with the main new addition to local economy being electricians' workshops. Due to the steep gradient of most of the arable land, crops are predominantly cultivated on terraced fields with the lower lying stretches with better soil quality being used for rice. During winter, potatoes, wheat, soybean and rapeseed are grown and the livestock (mostly goats and cows) is brought down from the alpine pastures where it spends the summers to graze on the unused terraces. Most households across the caste spectrum have access to agricultural land, although the size of landholdings varies greatly from family to family. Practically every house is accompanied by a small house garden where one can find leaf vegetables, chayote, bananas, garlic, chillies, onions and different kinds of yams. Additionally, chickens are kept around the house and most of the Non-high-caste families fatten one or two pigs. Moreover, non-timber forest products serve as an important addition to people's diets, especially nettle that is regularly prepared as soup.

This, however, does not mean that the area is self sufficient in its food production; even in Hedangna, a village renowned for its impressive stretch of terraced paddy fields right to the north of its centre, the majority of families have for decades been forced to buy rice and other foodstuffs.[9] Therefore, the local economy has long been dependent on work migration abroad. While a considerable percentage of men from the area have been leaving for Northern India after the rice harvest to spend the winters as day labourers in tea plantations or construction workers at least since the early 20th century, these days especially young people (increasingly more women) apply for three-year work visa to the Gulf countries and Malaysia. With the recent introduction of cardamom farming, however, work migration is no longer the only possibility to earn money as for the first time a cash crop is available locally (for an extended discussion of cardamom and the transformations it has brought to the upper Arun valley see Chapter 6).

Even for Nepalese standards, the Arun valley has been connected rather late to the national road network. Khandbari, the headquarters of Sankhuwasabha district, waited until 1999 for the first motorable road connection (Armbrecht Forbes 1999a: 337) while the dam site a day's walk further up the valley was only connected in 2013 (Magar Yamphu Rai 2013). When the hydro project was cancelled in 1995, it was a hard five-day walk from there to the next road head in Basantapur (Armbrecht Forbes 1999a: 327). Until the 1950s, the Arun valley was an important route in the trans-Himalayan salt trade network. The Chinese annexation of Tibet, the subsequent closure of the border and the newly established independence of India constituted a radical change in this respect: Whereas all the salt had come from Tibet beforehand, it suddenly arrived from India.

[9] According to a survey among 75 households in 1992, 68% of them "were unable to produce all of the grain needed to feed their family throughout the year" (Armbrecht Forbes 1995: 41).



Ill. 4: Phyaksinda and the Arun-3 dam site, 21 November 2008.

The Yamphu Rai

The upper Arun valley, as most areas of the central and eastern hills of Nepal, is inhabited by a big number of different ethnic groups/castes (*jat* [N]). In the villages affected by Arun-3 people identify as Bahun, Chhetri, occupational castes, Newar, Tamang, Magar, Sherpa/Khumbo while the majority refer to themselves as either Lohorung Rai or Yamphu Rai. Members of these two groups claim that their ancestors were the first people to settle the area. So far, there is no reason to contradict this assertion that is voiced by the different Rai subgroups all over Eastern Nepal and their eastern neighbours, the Limbu. They all refer to these ancestors as Kiranti, a half mythological half historical people depicted in the old Sanskrit epics "as an infamous warring 'race' inhabiting the mountains of the north and northeast. […] It is only after the *Kirāta* – one might say with some simplification – that authentic history begins" (Gaenszle 2000: 4, emphasis in original).[10] The assumption of this shared genealogy is an important theme in discourses of indigeneity in Eastern Nepal.

Num and Hedangna, the villages closest to the dam site, are dominated by the Yamphu Rai. They constitute the northernmost subgroup of the Rai, an ethnonym ascribed to an unclear number of linguistically distinct groups that mostly live in the valleys between the Dudh Kosi and the Arun in eastern Nepal. Based on an unpublished diagram by the Linguistic Survey of Nepal, Martin Gaenszle (ibid: 3) speaks of "more than 50 more or less distinct Rai dialects or languages." According to the latest census data (Central Bureau of Statistics 2012: 144), 620,004 persons or 2.3 per cent of the population of Nepal identify as Rai. The difficulty with this number, however, becomes immediately apparent when the same statistic lists 6,933 people who declared their ethnic identity to be Yamphu (ibid: 146) with around a dozen other Rai subgroups mentioned in the table as well. As the census only permitted respondents to state one caste affiliation, its methodology is not capable to reflect the complex ethnicity of Rai groups. Therefore, the size of groups like the Yamphu remains uncertain. Probably the more accurate number can be retrieved from the table on mother tongues. Here (ibid: 175), 9,208 people responded with Yamphu/Yamphe. A different census report (Central Bureau of Statistics 2013: 85-127) lists 5,064 speakers of Yamphu in Sankhuwasabha district and around 1,000 each for Morang, Ilam and Dhankuta districts to the south and east.

The majority of these five thousand Yamphu speakers in Sankhuwasabha live in Hedangna, Num and five more villages in the vicinity of the Arun-3 dam site within the borders of Pathibhara and Num VDCs. All of these villages are also inhabited by people of the above mentioned, differing jat affiliations. Although the sample of this study includes people from all of these groups, the majority of my interlocutors were

[10] Gaenszle (2000: 4-15) discusses the origin of the term extensively and despite the obvious etymological relatedness of Kirāta to Kiranti, he finds no evidence that would directly link the present-day Kiranti to the mythological Kirāta.

Ill. 5: The northern part of Hedangna, 1 November 2010.

Yamphu Rai. This happened not only because of my mentioned entry to the field and the fact that the majority of the people living around the dam site identify as Yamphu. Furthermore, many Yamphu claim sovereignty over this territory and members of other groups by and large accept this territorial claim and the Yamphu's claim that their ancestors were the first people who settled the area. As I will show throughout my work, this longstanding struggle for autonomy from the Nepalese state is strongly entangled with the question of Arun-3. Especially the activists of the Yamphu Kirat Samaj (YKS), an NGO concerned with the political and cultural representation of the group, connect their political agenda for the recognition of Yamphu as a separate caste term and an exit from "the problematic ethnic unit called Rai" (Gaenszle 1997: 353) with threats to halt dam construction. I will come back to this point soon.

Hedangna, where I spent most of my time in the Arun valley, is the central place of reference in Yamphu geography. Here, the mythological forefathers Minaba and Sepa decided to settle down and clear the forest after migrating south from Tibet. Still, it is considered the centre of the group's territory and history and most of the ancestral springs called *tsawa* [Y] are located there. These springs serve as mythological points of origin for the fifteen clans within Yamphu society. Although formally exogamous, intermarriage between members of the same clan is not uncommon (Armbrecht Forbes 1995a: 50-51, 65). According to

my interlocutors, marriages between Yamphu and members of other Rai subgroups have been practiced for a long time. Recently, intermarriage between Yamphu and members of other Non-Hindu groups has also become more common. After marriage, the bride has to leave her family and moves in with the groom and until recently women were restricted from inheriting land. Therefore, the Yamphu can be described as a patrilineal, virilocal society like all the ethnic/caste groups that live with them. Ideally, the youngest son should take over the house of his parents while his brothers would build their own houses and inherit a part of their father's land (ultimogenitur). For reasons connected to the specific land tenure system of the Yamphu (see below) these land divisions where rarely reported to the authorities. Instead it was the local tax collectors/headmen (*jimmawals*) who kept track of land ownership; their records, however, were often doubted in cases of land disputes. These days, most of the landholdings have become too small to support more than one family in the next generation, so divisions are becoming more and more difficult. The mentioned introduction of cardamom farming will most probably have a severe effect on these questions and the way extended families rearrange ownership.

Similar to most Non-Hindu groups in the Nepalese Himalaya, the Yamphu have no internal system of caste stratification. All of these groups were, however, integrated into the Nepalese caste system in the 19th century. In the hierarchy of the *Muluki Ain* (general code [N]) of 1854 the Yamphu (as Rai) are grouped into the category of "enslavable Alcohol-Drinkers" (Höfer 1979: 141) and despite the abandonment of these categories and the official end of slavery and caste discrimination during the 20th century, Rai and members of other Non-Hindu groups still face considerable marginalisation in Nepalese society that remains dominated by the caste groups that were on top of the caste hierarchy when it was fixated in the 19th century, i.e. members of the Bahun-Chhetri castes and a certain subset of Newar castes.

The inclusion of all indigenous groups into the Hindu caste system is one important peculiarity of Nepal and one of the most visible events in a longstanding process of Hinduization that all of these groups have been exposed to ever since Prithvi Narayan Shah's troops defeated their ancestors in the late 18th century during his military expansion that led to the creation of the Kingdom of Nepal.[11] Nick Allen (1997), however, has argued in respect to the Thulung Rai, a group living to the southwest of the Yamphu and closely related to them, that the in-migration of Hindus to the hill areas of present-day Eastern Nepal had already started before this event. His interlocutors stated that the Bahun were actually welcomed by the Rai because they were literate and "knew about *din-bār*, i.e. the auspicious and inauspicious days for doing things" (ibid: 310, emphasis in original). Pointing us to the fact that Bahun cannot sustain their lifestyle without the service of occupational castes, he concludes: "If the Thulung welcomed the Brahmans for the

[11] In Chapter 5 I will, however, argue that this integration happened particularly late in the upper Arun valley and that it took the Nepalese state until 1994 to finally secure its sovereignty over the Yamphu territory.

skills they had to offer, presumably they welcomed other castes including the Untouchables for the same reason" (ibid). The only clear record of the Thulung fighting new settlers Allen found concerned the Chhetri. As they have "no caste-linked speciality except (in principle) fighting" (ibid: 311), this case serves as the exception that proves the rule. Beyond that, all historical and mythological evidence points to the fact that the economy of the Kiranti groups was based on shifting cultivation and hunting until very recently. Probably the population density was extremely low and land was abundant. Therefore, it seems highly likely that the locals gave land rights to the newly arriving paddy farmers because they simply did not need it for their extensive mode of production. With the continuous increase in population, the abandonment of shifting cultivation by the Rai subgroups and their transition to rice cultivation, this has changed considerably over the course of the last two centuries.

Given this history of Hinduization and co-habitation with people of the whole Hindu caste spectrum for many generations, it is important to note, however, that to label people who identify themselves as Rai, Magar, Sherpa, Tamang and so on as Non-Hindus is a gross oversimplification. Already P. R. Sharma (1978: 1) conceptualised ethnicity in Nepal as a "Hindu-tribal continuum" rather than a dichotomised system with a clear dividing line. Although formally not followers of Hinduism (in any of its many forms), the Yamphu Rai, for instance, have been strongly influenced by Hindu traditions as becomes apparent by the frequent depiction of Hindu gods in Yamphu homes or the widespread use of Sanskrit first names. Most of the indigenous groups of Eastern Nepal have adopted Hindu customs, beliefs and festivals. The most influential innovation brought to the Arun valley by Hindu settlers was however the introduction of the plough and the cultivation of rice. Yamphu occasionally call on high-caste Hindu ritual experts for astrological advice. Some of them also employ shamans from occupational castes: they drink no alcohol, so their services are cheaper than those of their Yamphu colleagues. Additionally, as the northernmost subgroup of the Rai, the Yamphu have been influenced by the Buddhist communities further up the valley that emigrated from Tibet several generations ago. The most obvious sign for this longstanding contact is the fact that every spring, a Buddhist Lama from the village of Hatiya walks down to Hedangna to spend the summer there and protect the rice and maize from hailstorms. Despite this history of exposure to two of the main metaphysical traditions of the region, the Yamphu's main spiritual framework remains their belief in the importance of the relationship between the living and the dead that has to be constantly reproduced. Through these ties between themselves and their ancestors the Yamphu relate to each other, their land and the wider world; through it they also conceptualise their group's history, maintain their claim to difference, and uphold their understanding of Yamphu-ness. This of course does not mean that every Yamphu is a convicted believer in ancestral entities. But in reaction to the long history of Hinduization, recently many young educated Yamphu have gone through a re-evaluation of their group's

mythology. Whereas Ann Armbrecht Forbes (1995: 113, fn 165) reports that middle-aged men often laughed when asked "about these stories of Kokcrikpa [the main culture hero in Yamphu mythology], dismissing them as tales told to entertain little children," my interlocutors from the same age group, even though they also often could not recount those tales, were far more respectful of their group's cultural heritage.

The relationship between the living and the ancestors is chronically difficult. Since the time when the ancestors decided to become invisible, appalled by the greed of the living, the latter have to maintain good relations by pleasing them with rituals during which they feed them rice, meat and *jad* [Y] (millet beer). If the living fail to take care of their ancestors, they will at some point become angry and harm the living with illness or bad harvest. Among these ancestral beings, the Yamphu also relate to four more abstract entities in different rituals: *Nambetuasi* [Y] resides in the sun, *Thaurumchap* [Y] in the open hearth; *Waiya* [Y] lives in the spring water and *Yiwa* [Y] in the Arun river. Yiwa is called upon before embarking on an important journey (the ritual is called *Panchewlis* [Y] or *Yiwa puja*).

This intimate relation to ancestral entities is a common feature among the Rai subgroups of Eastern Nepal (Gaenszle 2007; Nicoletti 2006; Hardman 2000). The main tool for communication with them is an extensive body of oral text the Yamphu call *mundhum* [Y]. Through it, ritual experts can contact these entities to find the reason for illness and misfortune and possible ways to cure them. The mundhum mostly contains of complex chants in highly antiquated language that is incomprehensible for non-initiated Yamphu speakers. Ritual experts claim that the mundhum is revealed to them in their dreams. So far, it has never been put into writing, except for the few pieces that Ann Armbrecht Forbes (1995) has recorded and translated. The Yamphu mythology, on the other hand, is called *pelem* [Y]. This collection includes stories about the migratory history of the Yamphu, moral tales and how why the ancestors decided to become invisible for the living, but surprisingly lacks a creation myth (Rutgers 1998: 6). One important leitmotif that goes through the pelem is the difficult relationship between brothers[12] because of their disputes about the main scarce resource: land.

As Ann Armbrecht Forbes' (1995) ethnography of land disputes among the Yamphu of Hedangna shows, these quarrels are indeed strongly connected to the political organisation of the group and the history of its integration into the Hindu Kingdom of Nepal. When Prithvi Narayan Shah's troops tried to occupy the valleys of Eastern Nepal (also known as *Pallo Kirat*), they met strong resistance from the people living there, the ancestors of the Limbu and Rai commonly referred to as Kiranti. Unable to defeat them, Shah then brokered an agreement granting them a high level of autonomy and assuring, in a royal edict from

[12] Women are only allowed to inherit land since the legal code of 1964 (Gilbert 1993: 240 in Armbrecht Forbes 1995).

1774, that "in case we confiscate your lands, may our ancestral gods destroy our kingdom" (Regmi 1976: 93). Out of this agreement emerged a very specific land tenure system called *kipat* [N] that went contrary to the logics of land ownership in the rest of the emerging kingship and left the Kiranti groups in sovereignty over their land.[13] This system was abolished particularly late in Hedangna where it only came to an end with the national land survey in 1994. Before this date, land taxes for kipat land were not paid directly to the land revenue office, but through special functionaries called *jimmawal*.[14] Armbrecht Forbes (1995: 53), however, argues that the jimmawals were much more than simple tax collectors as they "held judicial authority over all offences except those which entailed capital punishment or loss of caste" until King Mahendra introduced the partyless Panchayat system in 1962. According to Armbrecht Forbes' account, at least since the early 19th century and until 1994, at any given moment several jimmawals were active in Hedangna with each Yamphu household being obliged to pay a household tax to one of the jimmawals who was responsible to pay land tax for the territory under his control to the tax office. Similar to the disputes for land among brothers, these headmen were competing for power and constantly tried to bring more households under their control.

With the introduction of the Panchayat system in the 1960s, the political authority of the jimmawals gradually shifted to the position of *Pradhan Panch* [N] (the leader of the Panchayat, the council of five) and with the re-introduction of multiparty democracy in 1991, to the new post of VDC chairperson, a position comparable to a mayor. Speaking of these political functionaries, I should mention that at the time of my fieldwork in the Arun valley between 2008 and 2011, their seats had been vacant since 2002. Because of the decade-long Maoist insurgency and the protracted peace process the last local elections had taken place in 1997. Since 2002, when then Prime Minister Sher Bahadur Deuba dissolved all local bodies, the VDCs have been led by the government-appointed secretaries in coordination with functionaries of the political parties and without any democratic legitimisation. Though far from dysfunctional, these councils proved far less important for my fieldwork than the thriving scene of NGOs in the area. Especially the board members of the Yamphu Kirat Samaj turned out to be among the most influential political figures among the Yamphu.

The YKS was established in 2004, relatively late in comparison with other indigenous activist groups in the area (Gaenszle 1997), with the main purpose of

[13] Mahesh Regmi (1978: 538), however, speculates that other 'Mongolian' groups like the Tamang, Sherpa, etc. originally also owned land under the kipat system. For an extended discussion of kipat see Chapter 5.

[14] Regmi (1978: 859) defines a jimmawal as a "non-official functionary who collected taxes on khet [irrigated] land in the hill region."

> preserving, protecting and conserving Yamphu culture, language, and religion as these have become nearly extinct because of the special protection or reservation provided in all areas to one caste (Brahmin), one religion (Hindu), one language (Khas-Nepali), one culture (Hindu). Basically, this organization advocates against any forms of discrimination based on ethnicity and advocates for identity based rights of the Yamphu community and other ethnic groups (Yamphu Kirat Samaj 2013).

It is not associated with any of the political parties (as many indigenous grassroots organisations in Nepal are), but from my conversations with activists and official speeches I was present at, I believe it is safe to say that during my fieldwork in 2010 and 2011 the strongest fraction within the society sympathised with the UCPN (M). To the YKS activists, the resumption of the Arun-3 project serves as an important topic in their communication with the Yamphu public and a powerful example why indigenous mobilisation is necessary, both on a politico-economic as well as on an ideological level (see Chapter 7).

Kathmandu and elsewhere

One third of my fieldwork time in Nepal I spent in Kathmandu. Already during my first preliminary field trip in the autumn of 2008 I made contact with the now defunct *Water and Energy Users Federation of Nepal* (WAFED). This NGO was both personally as well as content-wise the successor of the Arun Concerned Group, the organisation that brought the Arun-3 project in front of the World Bank Inspection Panel in 1994. Similarly to my experiences in the upper Arun valley, I found a very supportive atmosphere for my research endeavour among the water activists, hydropower experts and scholars I contacted in the capital. The circumstances of the encounter with my interlocutors were profoundly different, however. As I have outlined at the beginning of this chapter, the close proximity of their professional field with mine immediately defined my relationship with them as a form of collaboration. Most of them agreed to discuss their memories and opinions on Arun-3 and many also shared their personal and professional network with me. The majority of my interlocutors – both the former activists as well as their former opponents – were men between the age of 50 and 80 who held influential positions in bureaucracy, politics, consultancy and NGOs or had recently retired from such positions. Therefore, our encounters often happened in strongly hierarchized office spaces where a completely different set of rules and manners applied than during my fieldwork in the upper Arun valley. Still, I was surprised how easily accessible most of them were. Generally, I first made contact by e-mail and called their office a few days later to ask for a meeting and most of the time, I got an appointment for one of the following days. Many of the activists and retired bureaucrats also invited me to their homes. Therefore, many of my interviews took place in beautiful gardens behind high walls.

Elsewhere, I followed the same approach, but contacted the people I wanted to talk to well in advance.

Despite this fact, serendipity and my collaborator's spontaneous phone calls provided for a few fortunate encounters I had not planned for during these shorter trips to India, the United States and Germany. Twice I showed up unannounced at an office: The first time happened in New Delhi, when after unsuccessfully trying to set up a meeting with the head of the international department of the Indian SJVN for nearly a week, I decided to visit the company's office in Saket and see whether I would be allowed in. The person I had hoped to encounter was on a business trip abroad, but one of his subordinates took time out to discuss the company's strategy with me. My second uninvited appearance was at the Public Information Center of the World Bank in Kathmandu. In this case, I had for a long time tried through informal channels and word of mouth to get in touch with recent or former staff members of the Bank as many of my interlocutors in Kathmandu had doubted the readiness of the organisation to engage officially with me. As it turned out, this perception was informed by their experiences with the Bank in the 1990s. As this work will show, in the meantime this institution had gone through a remarkable operational change and despite the very careful first reaction to my request for an interview, Chapter 4 will show how the collaboration between the Bank and me has evolved since.

This short chapter was an attempt to make transparent how the field site for this thesis materialised. While on the one hand my discussion aims at showing the decisions I took to construct this multi-sited field in order to trace the story of an invisible dam, it also highlights the contingencies involved in this process that were beyond my control and at times left me in a position to follow surprising trajectories (Amit 2000; Madden 2010). My field site stretches from the hamlet of Phyaksinda on the Arun right below the dam site through the villas in Kathmandu's upmarket Sanepa neighbourhood to the glass facades of Washington's office buildings. Time and again, I was overwhelmed by the far-reaching relations a non-existent dam had established and the passionate narratives its mentioning provoked in my interlocutors, many of which had not been involved with it since 1995.

3 "Those euphoric days of democracy."

Nepal's 1990 people's movement, the emerging civil society and the Anti-Arun-3 campaign

This chapter focuses on the events that led to the investigation of the Arun-3 project by the World Bank Inspection Panel in 1994/95: The coming-into-being and progression of the first transnational civil society movement that originated in Nepal. I will argue that the so-called 'Anti-Arun campaign' emerged out of two decisive historical moments that served as its conditions of possibility: First, the Indian embargo against Nepal in 1989/90 that triggered the popular uprising of 1990. This 'people's movement' (*Jana Andolan* [N]) toppled the autocratic Panchayat regime and reinstated multi-party democracy in Nepal. Without this opening, the leeway for civil society mobilisation would have been severely restricted. On the other hand, the embargo had decisive consequences for Arun-3 as well, as I will show. It coincided with the finalisation of the project whose economic viability, from its inception, had been contingent on a power purchase agreement with India that was practically impossible to come by at that specific moment. The controversies surrounding the Indian plans of massive hydropower development along the Narmada River were a second important condition for the transition of the Anti-Arun-campaign from a national debate to a global event. On the one hand, the mobilisation and networking of the *Narmada Bachao Andolan* had shown NGOs around the global South that it was possible for a 'local' organisation to successfully transnationalize a 'local' struggle. On the other hand the very success of the NBA's mobilisation led to the first independent review of a World Bank project. This mechanism proved to be the forerunner of the World Bank Inspection Panel where the Arun-3 campaign should culminate after five years of national and transnational contestation. After this historical embedding of the movement I will focus on the progress of the campaign, the way the national English speaking media covered the debate, the internal tensions and the activists' failure to convince the affected people in the Arun valley who they claimed to represent to engage in the movement.

The semi-blockade

To many, the force of the popular uprising that swept away the Panchayat system and changed Nepal in the spring of 1990 came as a surprise. Despite the difficulties that King Birendra and his autocratic regime had encountered during the 1980s, hardly anybody believed in the possibility of a democratic mass movement in Nepal. But when the Indian government decided to impose a trade embargo on the

neighbour in 1989, the situation changed. First the general public – trained in anti-Indian resentments by the regime – put the blame for the resulting hardship on India alone. But the continuous failure to reach an agreement even after the more sympathetic V.P. Singh succeeded Rajiv Gandhi as prime minster of India in November 1989 made people more and more discontent with their own government and anger slowly built up.

Officially, the bone of contention was the renewal of two treaties on trade and transit between the two countries that expired in March 1989. While the Indian government wanted to incorporate both issues into a single agreement, the Nepalese negotiators argued that transit was a fundamental right of landlocked countries while trade was a bilateral matter subject to periodic change. As both sides stood firm and there was no rapprochement until the expiration of the old treaties on 23 March 1989, India closed thirteen of its fifteen border crossings with Nepal, leaving only the two major transit points at Jogbani and Raxaul open

> to permit essential goods such as medicines, baby foods, and cement to reach the Nepali people against whom India said it held no animus. Under international law a landlocked country has a right to only one transit route to the sea [...]. This also allowed New Delhi to deny that it was blockading Nepal (Garver 1991: 959).

Still, India was building up considerable pressure. When a separate agreement under which the Indian Oil Corporation was delivering petroleum products to Nepal expired on 31 March, the country was cut off from its fuel supplies. Especially the ensuing shortage of kerosene changed public opinion and made people start to turn against the Panchayat government. King Birendra turned to the Chinese and "by April 1989 an agreement for Chinese supply of fuel and food had been signed, and Chinese tanker and other trucks began to deliver supplies to Kathmandu by early May" (ibid: 964). Apart from that Chinese support for Nepal remained rather limited. John Garver (ibid: 965-965) ascribes this fact mainly to two reasons: Firstly, the Chinese upheaval of 1989 was in full swing at that time, occupying a big part of the authorities and put the country in a weak position internationally. These circumstances might also explain why China did not bring up the issue at the United Nations. Secondly, the logistical constraints induced by the bad condition of the transport system between Tibet and Nepal convinced the Chinese leadership that it would be next to impossible to seize the opportunity and step into the breach that India's move had opened up. In 1989, the Arniko Highway from Kathmandu to the Tibetan border in Kodari and further on to Lhasa was the only motorable connection between the two countries and the road was in no shape to permit the sustenance of a landlocked country suddenly cut off from all its supply chains.

Already at that time, many commentators felt that the economic disagreements were nothing but a pretext for India and the real issue was the fact that King Birendra had bought Chinese arms that started to arrive

in Kathmandu in June 1988, among them sixteen antiaircraft guns. Especially this procurement upset the Indians, as they had declined to sell these arms to the Nepalese already several times since 1972, because India believed that Nepal did not need antiaircraft guns. "New Delhi had got wind of Kathmandu's intentions and in December 1987 had warned Nepal of the consequences of purchasing antiaircraft guns from China" (Garver 2001: 152). This arms deal was part of a broader strategy of King Birendra to decrease Nepalese dependency on its southern neighbour and followed the anti-Indian bias that was, besides it strong developmentalist ideology, formative of the Panchayat regime. The Indian side grew even more concerned over a "secret agreement between Nepal and China providing for the exchange of intelligence between the two governments signed sometime in 1988" (Garver 1991: 963). That said there is no evidence to verify the hypothesis that the Indian government used the embargo to topple the autocratic rule of the King and facilitate a democratic change in Nepal. David Gellner (1997: 169) instead argues that the immediate Indian influence was in fact much less important during the people's movement of 1990 than it had been during the first democratic experiment in the 1950s and, one could add, as it would again be in the events that led to the end of the civil war, the abdication of King Gyanendra and the proclamation of Republic between 2005 and 2009. John Whelpton (2005: 115) even indicates that India was offering support to the King in March 1990 when his regime was already with its back against the wall in an effort to exploit the situation for the renewal of a security treaty from 1950.

Of course, there were other important factors for the people's movement as well. Firstly, the dramatic changes in Eastern Europe constituted a critical precondition for the coming into being of the movement as they encouraged hope among pro-democracy activists. Another decisive shift occurred at the conference of the *Communist Party of Nepal (Marxist-Leninist)* (CPN [ML]) in August 1989 "at which the party formally abandoned Maoism and accepted alliance with Congress to struggle for a parliamentary system as a short-term goal" (ibid: 113). During the late 1980s the CPN (ML) was the major force among the multiplicity of communist parties and groups in Nepal. In January, six smaller communist parties joined them to form the United Left Front (ULF) and together with the Congress Party they prepared for a Movement for the Restoration of Democracy. The alliance decided to start the protest on 18 February 1990 (Falgun 7, 2046 in the Nepali calendar Bikram Samvat), the anniversary of the establishment of the first coalition government after the end of the Rana regime in 1951.[15] The *Communist Party of Nepal (Masal)* and the *Communist Party of Nepal (Mashal)*, the two splinter groups in which the majority of the first central committee members of the Communist Party of Nepal (Maoist) (CPN [M]) were socialised, decided not take part in the ULF. Together with other factions, they however set up the *United National*

[15] This day has been celebrated as Democracy Day since that year.

People's Movement. So, even without a common strategy, the two major communist fractions carried out protests together.

Adding to these political changes on international and national level was a general decline in the legitimacy of the regime in the public opinion. The contradictions between the Panchayat state's rhetoric of national solidarity and steady development, on the one hand, and the endemic reality of corruption, clientelism and economic stagnation on the other hand, had been steadily increasing during the 1980s. "Although development had occurred, it was too uneven and was believed to have happened despite the regime, not because of it." (Gellner 2010: 13). Especially the urban middle classes suffered under the impacts of rising food prices, steep inflation and an economic policy that still preserved the structures of the 1960s, despite the inevitable structural adjustment program dictated by the World Bank during the 1980s (Whelpton 2005: 127-128). Although the Panchayat governments and King Birendra did achieve some success in lessening the dependency from India, the country became more and more dependent on foreign aid in these years.

Jana Andolan: The People's Movement

The majority of protesters that started the demonstrations on 18 February 1990 were students and unemployed youths who supported Congress and the ULF. The police came down hard on them shooting four protesters in the southern province of Chitwan (Gaenszle 1991: 239). After the first manifestations, thousands of pro-democracy activists and journalists were arrested while most of the known political leaders had already been imprisoned or placed under house arrest some days in advance. The government and the palace were obviously determined to face this challenge to their power, but there was a substantial faction among the *panchas*, the councillors who ran the whole political system, who favoured a political solution of the problem already at the outset of the demonstrations. In an effort to reclaim control, the

> regime came up with a three-pronged strategy that at times seemed self-contradictory. First, it tried to delegitimize the movement by invoking nationalism in the usual way of India bashing. Second, officially HMG tried its best to give the impression of an increasing rapproachement [sic!] with Delhi, and at the same time, it was equally careful to seek ways of reducing external support for the movement. Third, coercive measures were taken to counter the opposition campaign (Hachhethu 1990: 178).

From the beginning, there was strong support from Indian politicians. Chandra Shekhar from the *Janata Party* was already present at the Congress party's conference in January where the start of the pro-democracy movement and the very unusual alliance with the ULF was announced (Whelpton 2005: 114). V.P. Singh and Rajiv Gandhi both made public statements "condemning the crackdown and describing

the repression as state violence" (Garver 1991: 970). Thereupon, the government tried to convince the public that the democracy movement was an Indian attempt to destabilize Nepal, or, as Ganesh Raj Sharma, a representative of the *ancien regime*, put it: "This movement is inspired and encouraged by India with the aim of creating a chaotic and anarchic situation in Nepal to make it soften its stand" (Samikshya Weekly in Hachhethu 1990: 178). On the other hand, they hoped that the Indian involvement would jam a wedge between the ULF and Congress as the only topic where most of the communist groups agreed with the Panchayat regime was their anti-Indianism. "But contrary to the expectations of the panchas, all the left leaders were highly appreciative of the articulated support of Indian leaders" (ibid: 179). Furthermore, there was also strong criticism from the United States, Japan and West Germany. Responding to this, the regime played the communist card claiming the movement to be controlled by leftist extremists. When the US put pressure on the King to solve the problem through expanding democratic instruments within the system, King Birendra announced a proposal to reforms during a pro-Panchayat rally in Pokhara on 16 March.

At that time, the movement was on the verge of breaking down. But when a student at Mechi campus in south eastern Nepal was killed, a second wave of rage broke out in Kathmandu and every day, "the crowds of people chanting 'democracy and human rights' multiplied within and outside Kathmandu valley" (ibid: 181). Protesters asked the public to turn out their lights collectively at set times each night. These "light outs" starting from 29 March gave a large number of people the possibility to show their support for the protest in safety while the dark streets made it easier for a small group of activists to confront the police. In those days, Kathmandu had a relatively stable and uninterrupted electricity supply, by the way. These days, such a form of protest would simply be impossible due to the long hours of power outage every day. The turning point was reached on 31 March when the inhabitants of Patan set up a Public Safety Committee containing the police to the main square and blocking all access roads after police had shot six people dead in Patan and Kirtipur near Kathmandu. There were also daily marches on the streets with at least one member of every household. John Whelpton (2005: 114) points to the important factor of the tight kinship and caste affiliations in the Newar towns of the Kathmandu valley where police violence against individual protesters was understood as assaults against the whole community. Especially the city of Bhaktapur and the town of Kirtipur showed determined opposition against the regime. David Gellner (Gellner 1997: 166-167) reminds us of the long histories of counter-conduct against the royal state in these two cities.

In the morning of 6 April, King Birendra made a surprising broadcast to the nation in which he promised discussions with the opposition and announced that he would form a constitutional reform commission. He dismissed the government and appointed Lokendra Bahadur Chand as new Prime Minister, "who, as

it was learned, had agreed to take the job only after three other ex-prime ministers had turned it down" (Whelpton 2005: 115). Hachhethu (1990: 182) argues that Birendra had realised the immanent threat to the very institution of monarchy if he was to continue with his strategy of confrontation. His open support for the Panchayat system had started to turn a growing number of the protesting population against him. While the leaders of Congress were in favour of constitutional monarchy and agitated against the palace solely to put pressure on the King, the communist groups were predominantly pro-republican, even if they had accepted the perpetuation of the monarchy for the time being. With the increasing radicalisation of the democracy movement and the growing influence of the communist groups, the King feared that Congress might lose its dominance in the movement, thereby jeopardising the monarchy.
His offer came too late to satisfy the agitated public. Later that day, hundreds of thousands took to the streets in all parts of the country and when a group marched towards the royal palace, and the police failed to stop the protesters with tear gas, security personnel opened fire on the crowd around the statue of the late King Mahendra on Durbar Marg, leaving several people dead (Gellner (1997: 169) estimates the death toll to have been between 25 and 50). Subsequently the towns in the Kathmandu valley were placed under curfew, but two days later the King finally started direct negotiations with four representatives of Congress and the ULF. For a start, they accepted a simple ending of the ban on political parties and when they left the palace that evening the state media announced the end of the 'party-less' Panchayat democracy. Still, it took another week until Prime Minister Lokendra Bahadur Chand abandoned the hope that he could persuade the political parties simply to join his existing cabinet and was forced to resign, again with the help of pressure from the streets. On 19 April, a provisional government under the leadership of Krishna Prasad Bhattarai was sworn in. It was a coalition of Congress and the ULF while two of the ministers were still directly appointed by King Birendra (Gaenszle 1991: 245).

"The first blow to Arun came when the Indians sealed their borders."

Apart from triggering a revolution, the Indian embargo had another very important outcome: a decisive implication for the construction of Arun-3. The World Bank's Staff Appraisal Report for the Arun-3 access road based on findings from February and May 1988 implies that the project was planned to be developed in two stages. A year earlier, the Bank's *International Development Agency* (IDA) and the *Canadian International Development Agency* had assisted the government in conducting a least cost generation expansion plan (Mahat 2005: 1).

> As a result of this study […] HMG has proposed a two stage (201 MW each) development of the Arun III hydroelectric scheme as the next generation project in line with the estimated

> growth of the electricity demand of Nepal's interconnected power system. The first stage (1992-96), estimated to cost US$490 million, would involve construction of a dam, a tunnel, a powerhouse and a switchyard. In the second stage (by year 2003), the tunnel and generating capacity would be duplicated (Worldbank 1989: 1).

As is implied by the "electricity demands of Nepal's interconnected power system," India as a likely buyer of electricity was an important factor from the inception of the project. The Bank estimated that the output of Arun-3 would "fulfill Nepal's total power demands to 2010 at least cost" (ibid: i), so in 1989, the project was assumed to be clearly oversized for Nepal. From the initial planning stage, the international donors and the government had envisaged a power purchase agreement with India to re-finance a part of the project. That in mind, the Bank document further states: "The implementation of the second stage could be accelerated if agreement is reached on bulk export sales (100 MW or more) to India" (ibid: 1). But due to the growing tensions throughout 1988 that led to the semi-blockade, all bilateral talks came to a standstill and so there was no chance to negotiate a power purchase agreement. As Binod, a retired natural scientist who was part of the team who brought the Makalu-Barun National Park into existence recounts:

> I can't exactly remember the date, but the first blow came from the embargo. And that embargo made it compulsory to revise all the projects, to make revisions of all the economics of the thing [...]. The project was in a good pipeline but that destroyed everything (Interview 5).

Therefore, the Indian semi-blockade of Nepal in 1990 was decisive for the history of Arun-3 as it served as a prerequisite for the opposition to the project in two critical ways: Firstly, the hardships put on the population through the shortage in fuel and other commodities were building up on an ever-growing dissatisfaction with the autocratic regime and sparked off the people's movement. Though surely not the main cause for the popular uprising, the embargo was an important trigger to forge a broad alliance across divergent fractions of society that was necessary to bring down the Panchayat system – a counter-hegemonic bloc to borrow Antonio Gramsci's term that was strong enough to overcome the *ancien régime*. Subsequently, only the end of the Panchayat system and the establishment of multi-party democracy opened leeway for the emergence of a civil society, although Krishna Hachhethu (2006: 6) reminds us of the predecessors of Nepalese civil society that were instrumental for the first revolution in Kathmandu in 1951 and the strong activity of civic organisations during the 1950. But after the abrupt end of democratisation, social movement mobilisation had to be predominantly carried out in the underground. With the Organizations and Associations (Control) Act of 1962, the government sought to ensure that no associations were set up without its approval. Though primarily introduced to impede the establishment of

political parties, it resulted as well in the dissolution of all peasant unions, students' associations and the like (Heaton Shrestha 2010: 196). With the ban on parties and organisations lifted, Nepal saw a dramatic rise in the number of NGOs: from a mere 250 in 1989 to an estimated 30,000 in 2001 (ibid: 181, 210, en 2). Even more important, however, was the newly gained possibility to contradict the government publicly.

Secondly, the Indian embargo was the main cause for the decrease of the planned capacity of Arun-3 from 402 MW to only 201 MW as it coincided with the final preparations for the construction of the power plant. The initial plan of the World Bank and the other foreign donors to negotiate a power purchase agreement with the Indian government was rendered obsolete in the face of the strained relations between the two neighbours. This downsizing strongly influenced the economic viability of the whole project as it nearly doubled the price of each unit of electricity to be generated. The comparatively high price per kilowatt-hour later proved to be one of the main arguments in the campaign against the project.

The Emergence of Critique

Only two months after the resignation of the last Panchayat prime minister, the first article criticising Arun-3 was published. It appeared on 13 June 1990 in the Friday supplementary of the government-owned English daily *The Rising Nepal*. Under the heading "Arun III Impasse: Is there an escape from this blind alley?" its author Dipak Gyawali delivered a withering assessment of the project and the institutions involved, especially the NEA. He claimed that "Nepal's power development program…placed all the development eggs in the Arun-3 basket," (Gyawali 2003 [1990]: 148) and even that "the entire process of power planning and development has been hijacked by Arun-3" (ibid: 149). His main argument was that only through a number of tricks, Arun-3 had been produced as the cheapest hydropower project in Nepal. In his opinion, there were a number of projects that could be constructed with less money in shorter time, especially a sequence of middle-sized power plants in Central Western Nepal around the later-built Kali Gandaki 'A' scheme. There, most of the roads and transmission lines already existed, quite the contrary to the situation at the Arun-3 dam site: a place "at the end of a 200 km road…to be built from Dhankuta towards Mt. Everest" (ibid: 150).

The underlying reason for the NEA's choice to pursue this project, Gyawali argued, was the neo-feudal character of Nepal's development strategy that simply replaced the exploitation of peasants in classical feudalism with the exploitation of "productive industrialists," painting the picture of a parasitic bureaucracy that is feeding off the entrepreneurs. And especially when it comes to the power sector, Gyawali reasoned, this was all the more true. His op-ed culminated in a fierce attack on the NEA, arguing

for the disbandment of the organisation that is "only a government department with a misleading commercial name" (ibid: 151) and a radical liberalisation of the power sector: he called for the establishment of several independent trans-border river valley development authorities that should be in direct competition over customers in Nepal, India and maybe even Bangladesh.
These days, Gyawali works as an independent consultant and analyst, and remains a controversial commentator and public intellectual. When I asked about how he became involved in the Arun-3 controversy, he explained

> When I started this whole thing […] I was in the ministry of water resources as an engineer [...] I resigned from the government [in] 1987, but by then, there was enough criticism within the ministry that Arun is not properly done […] I was already critical then, but I had not really...worked, I mean publicly you couldn't do it, because of the Panchayat days, but still there was some leeway […] In March 1989, I was outside the government, Panchayat was still strong and this was just before the Indian blockade of Nepal. Nepal Television had just come on […] It was the only TV channel and this anchor person…Bijay Kumar, his program was very popular, he was like […] this Jon Stewart now [...] So, he asked to interview me. […] I said: We are on an expansive mode and we are on the wrong mode. [In] Bhutan power plants are being built at 500 to 800 Dollars a kilowatt, why are we building Khulekhani at 2000? And Marsyangdi is going to be even more expensive. [...] We don't need to be building power plants like that, so I was giving some numbers. That caused the sensation. […] So then I think the government was planning action against me, against him, he had to suspend his program, that poor guy...But then, immediately that week India imposed the blockade […] The net result was that they had other things to worry about then somebody like me. […] But then, you know, things went fast. 1989 March, 1990 March, [in] April we had democracy, Panchayat was gone. […] So after 1990 April, in July 1990 I think I wrote the first major piece, […] that is how the first public write-up started coming. People started to get involved with that, lots of people read that, they said: we should do something about it…Those euphoric days of democracy, everybody was organising all kinds of things (Interview A).

Despite the euphoria, it took more than two years until the campaign against the dam gained traction. But in the meantime, something else was happening in India that proved to be have a huge impact on hydropower construction around the globe – and even more so on the conditions in Nepal: the movement to save the Narmada.

Saving the Narmada

The Narmada is the longest river in western and central India, flowing through the states of Madhya Pradesh, Maharashtra and Gujarat. Proposals to develop a gigantic hydropower project in the Narmada valley and use the stored water to irrigate the drought prone areas of western Gujarat and southern Rajasthan predate the independence of India – already in 1946 the Central Waterways, Irrigation and

Navigation Commission presented first plans for such an endeavour (Khagram 2004: 67). Although initial studies were conducted in the following years, it took more than three decades until the final planning of the largest river basin scheme ever proposed in India began. This delay was primarily due to the inability of the three riparian states and Rajasthan that was supposed to receive water through an enormous canal (Fisher 1997a: 12-13) to agree upon the distribution of the water and a number of institutional dynamics within the Indian federal structure (Khagram 2004: 66-76). In 1968, the federal government agreed to the government of Gujarat's plea for the establishment of a specific arbitral court to settle the inter-state conflict.

The decisions of the *Narmada Water Dispute Tribunal* of 1979 (NWDT 1979) specified many technical, financial and institutional parameters of the project, but neither did it sufficiently tackle questions of benefit and costs, resettlement and rehabilitation (R&R) or environmental impacts, nor did it consider the opinions of central actors like the affected people or foreign donors, mainly the World Bank and the government of Japan. Following the Tribunal's final order, the construction of more than 3,000 dams along the Narmada and its tributaries was approved, including 165 big dams (Khagram 2004: 65).

The focal point of the ensuing resistance movement was the *Sardar Sarovar Project* (SSP), the largest structure to be built along the Narmada and the dam closest to the mouth of the river. Although the construction of the dam had already started in 1961 under Jawaharlal Nehru, it only gathered momentum after 1985 when the World Bank agreed to co-fund the project. Since its inception, the proposed height of the dam had caused fierce controversies between the involved states and was one of the main reasons leading to the establishment of the Tribunal. The government of Gujarat (with support from Rajasthan) argued for a dam with a Full Reservoir Level (FRL) of 530 feet to harness as much water as possible for the generation of electricity, irrigation and to supply drinking water to over 40 million people in Gujarat (Baviskar 1995: 200). But while the dam site was situated at Navagam in Gujarat, the bigger part of the proposed reservoir was in the states of Madhya Pradesh and Maharashtra. Therefore, these two states objected this plan and the government of Madhya Pradesh insisted on a much smaller dam with a FRL of only 210 feet (Khagram 2004: 81). In 1979, the Tribunal followed the argumentation of the Gujarati government backed by the Central Government in Delhi, declared that national interest should be considered higher than state's interests (ibid: 78) and fixed the FRL of the dam at 455 feet (NWDT 1979: 3). At that level, the reservoir was estimated to submerge 37,000 hectares of land and 245 villages with a population of 152,000 people, according to government estimates (Morse and Berger 1992: 62) whereas activists expected more than one million people to get displaced by the SPP as a whole (Ram 1993: 1 in Baviskar 1995: 200). The villages in Gujarat and Maharashtra were almost exclusively inhabited by marginalised hill adivasi groups, but across the border in Madhya Pradesh, the Narmada runs through the

fertile and densely populated Nirmar plains, where the majority of affected people were Hindu farmers of the Patidar caste. And it was in Nirmar where the first resistance against the SSP emerged in 1978 when Arjun Singh founded the *Nirmar Bachao Andolan* (Save Nirmar Movement), although it became apparent soon enough that the driving force behind this move was to win the next elections, after which the protest stopped (Baviskar 1995: 202).

The continuous struggle against the damming of the Narmada started in March 1984 when a march to the construction headquarters at Kevadia Colony was organised. Around that time, Medha Patkar, a social scientist from the Tata Institute for Social Studies in Bombay, went on her first trip to the SSP submergence zone villages of Maharashtra and found out that there was no government-funded mechanism to inform people about the project and the affected population had to rely on informal conversations with revenue officers and other bureaucrats (ibid: 201). Subsequently, the *Narmada Bachao Andolan* was formed. When the World Bank entered into credit and loan agreements for $450 million in May 1985, the first villagers in Gujarat were already accepting rehabilitation although no clear provisions for R&R had been laid out (Patkar and Kothari 1997: 160-161). So, a transnational alliance of indigenous rights' advocacy groups, among them *Oxfam* and *Survival International*, started to put pressure on the federal and State governments as well as the World Bank to reform the R&R aspect of the SSP, especially pointing to the lack of any provisions for the compensation of people without proper land titles. Only later, the environmental impact of the invasion was picked up as another central topic (Khagram 2004: 89-91).

The following years were marked by fierce confrontation on local, state, national and transnational levels, involving a number of Supreme Court decisions and finally leading to the first independent review of a World Bank project in 1991/92. In the conclusions to their very critical report, Bradford Morse and Thomas Berger (1992: 356) acknowledge, "that in the national interest, people can be required to resettle" and maintain not to "insist upon an unattainable standard in environmental impact assessment and mitigation" (ibid: 357). Still, they argue that the high standards both in R&R as well as in environmental mitigation were established by India itself. They reject opinions implying that "human and environmental costs are to be heavily discounted" in megaprojects like the SSP as "unacceptable" (ibid). The report closes by stating that the Bank "must ensure that in projects it decides to support the principles giving priority to resettlement and environmental protection are faithfully observed. This is the only basis for truly sustainable development" (ibid: 358).

Remarkably, Morse and Berger's assessment is very much in line with that of many of the reports by NGOs and other civil society actors, as Khagram (2004: 127) rightly observes. As a result to the ever-increasing pressure on the Bank, its staff drew up a series of rigid benchmarks that would have to be

satisfied within six months. When it became apparent that this deadline could not be met and to prevent the Bank from an official stoppage of funding, the government of India pulled the emergency break in March 1993.

> The Indian Executive Director to the World Bank formally announced that it would voluntarily forego the remaining $170 million of the $450 million credit and loans […and…] would also not seek the approximately $500 million in additional support from the World Bank for the other Narmada Project that was under negotiation (ibid: 130).

With the end of the World Bank involvement, the conflict around the SSP was far from resolved and immediately after it a wave of repression was unleashed against the villagers and activists to show state authorities' determination to move ahead with the project (ibid: 131). But the campaign showed people around the world that pressure on the Bank could be increased to the point where its reputation was so severely jeopardised that the continuation of funding for a project could become too costly to one of the most powerful development actors in the world.

Empty Chairs

The Narmada controversy was closely followed in Nepal, especially by the Arun Concerned Group whereas the Alliance for Energy was stronger connected to the opposition against the Tehri project, as Sushil told me (Interview 1). And while the Indian activists waited for the Bank's response, the first civil society network opposing Arun-3 was established in Kathmandu. As mentioned, Gyawali's first attack on the project and the institutions executing it had already appeared in summer 1990, but it took more than two year until further steps towards an organised campaign were taken. The first attempt to discuss the controversial dam publicly was a hearing organised by the *Nepal Forum of Environmental Journalists* and ten other organisations at Hotel Kathmandu in February 1993. The journalists had invited a number of officials, but only the representatives of the NEA arrived while "the chairs set aside for officials of the National Planning Commission, the Ministry of Water Resources, and the Ministry of Finance remained empty" (Pandey 1995). "Two ministers, Laxaman Ghimere [sic!] (water resources) and Mahesh Acharya (Finance), who had agreed to be present, backed out because of other 'important work' late Thursday night, according to the organisers" (Bhattarai 1993).

A brochure published by the organisers lists 147 participants in the hearing (ECCA 1993: Annex 2). The audience wanted to discuss questions of hydropower policy, why hydropower development was so much more expensive in Nepal than in Bhutan, India or China or "why all rural Nepal must bear the burden of providing electricity to urban dwellers" (Pandey 1995). In answer to my question why he thinks the

government officials did not show up, Anil, one of the former activists, speculates:

> They should have come, but they didn't come, because of their arrogance. The arrogance was: We know everything, who are these people? We have already decided everything about the Arun-3 project so what do they want? Who are the environmentalists or media or...these people who cast a doubt on something we have already done? And look, this is not something we have done alone. This is also done mainly by the World Bank. Who can question what the World Bank does or did, right? So, it's all default, it's all a waste of time […] that's one reason. And the second reason could be, that – maybe – they also knew that there were problems and maybe they thought, the more you engage with these kinds of people, the more problems will come out in the future. So, they thought it's better to keep away from such engagement […] But it didn't go that way. […] And in those days, although these political parties and leaders also came from a long dictatorship and the democratic movement, you know, we were together in these democratic struggles at the frontline, but as soon as they came to power they started constructing themselves as...the ruling class and the people as the subjects they can rule. So not only in this particular hearing, but throughout the Arun-3 campaign...from 1993 to 1995, they were never open for us, for the people to meet, to talk, to dialogue – they didn't want to.

As these last sentences already insinuate, the public hearing was not organised in vain and in retrospect the image of the empty chairs served as a very powerful symbol for the officials' refusal to engage with the public. A group of young professionals interested in hydropower and development met for the first time at that occasion and the empty seats on the podium proved the need for organised action. For this purpose, some of the participants of the public hearing came together a month later and formed the Alliance for Energy (AfE), a network comprising predominantly of young engineers. Apart from very committed lobbying work in the background, their main output were not more than eight slim white papers and newsletters in the following two years that criticised the Arun-3 project mainly on economic and technical reasons, very much in the line of Gyawali's arguments from the 1990 article. After the refusal of the government, the Alliance contacted the donors and was invited for a meeting with representatives of the World Bank, the German KfW and the Asian Development Bank. In 1994, they were also invited to the US Senate and the British House of Lords (Interview 1).

A few months later, on 15 December 1993, a second organisation was formed: The Arun Concerned Group (ACG), a coalition of human rights organisations under the leadership of the *International Institute for Human Rights, Environment, and Development* (INHURED), one of the first independent NGOs in the country, already established in 1987 before the democratic movement. From the beginning, the ACG included people from the lower Arun valley and, unlike the AfE, was keen to add human and indigenous rights issues to the campaign that was so far restricted on economic concerns and the right to economic self-determination. Thereby, the ACG's plan was to link it to the emerging global discourses and activists' networks concerned with these issues. Some days before the ACG was officially established, the activists

wrote a letter to the NEA as well as the Ministries of Finance and Water Resources and the Arun-3 Project Office asking for a copy of the environmental impact assessment (EIA) report. When the government provided some information on the EIA, the activists drew up another letter on 22 December and demanded the full disclosure of all documents related to the project, including the government's agreements with the foreign donors and the World Bank. Without stating its reasons, the government refused to comply with these requests.

The Supreme Court decision

Confronted with this reply, Gopal Siwakoti 'Chintan' (on behalf of INHURED) and Rajesh Gautam filed a case with the Supreme Court on 16 January 1994 alleging that their right to information granted by the 1990 Constitution had been violated. In their application, they claimed that the Nepalese citizens had not been adequately informed about the project. In particular, they complained about a lack of information on the terms and conditionalities of the World Bank loan, the involvement of international contractors and the far-reaching implications on the national economy and the environment in the Arun valley maintaining that the dispute was an issue of public concern (Siwakoti 2004).

Siwakoti became involved in the emerging movement right after his return from Washington DC where he had completed a Master's degree in human rights and environmental law. He remembers the start of his engagement as follows:

> When I returned to Nepal in 1993, I simply wanted to know more about Arun-3 and basically to study more and make whatever positive contribution I could make. So, getting involved […] was basically out of my own academic curiosity. The problems started when we were denied basic information about the project by the NEA. We simply asked for copies of the Environmental Impact Assessments in the beginning and they said: We cannot give them to you. So, as we had a very good provision in the 1990 Constitution regarding the right to information, regarding any government undertakings, we approached the Supreme Court and asked for the release of project documents and information. The Supreme Court agreed, so we had an access to the Arun-3 project and documentation. So, that was the beginning of my involvement (Interview B).

As Siwakoti mentioned, Article 16 of the 1990 Constitution provided that "every citizen shall have the right to demand and receive information on any matter of public importance." Still Siwakoti's and Gautam's demand set a new precedent as there had been no laws governing access to information enacted yet. They grounded their case on Article 88(2)[16] of the Constitution in a two-fold way: Firstly, they

[16] Article 88(2) provided:
"The Supreme Court shall, for the enforcement of the fundamental rights conferred by this Constitution, for the

argued, the Supreme Court was the only body to enforce any legal right "for which no other remedy has been provided," in respect to their neglected right to information. Secondly, based on the provision that the Supreme Court should have extraordinary power to settle disputes of public interest or concern, they demanded that it should decide

> whether the average investment cost of the hydroelectricity project, the conduct of the project, the propriety of the loans to be taken from foreign countries, the rate of interest, the burdens of loan, and the technical aspect of the project are beneficial to the Nepal people and the country (Siwakoti 2004: 335).

On 8 May 1994, the Supreme Court judges Keshav Prasad Upadhyaya and Hara Govinda Singh Pradhan delivered their decision. Against the arguments of the defendants that "there was no right of action under the Court's extraordinary jurisdiction set out in Article 88(2) of the 1990 Constitution and that the applicants had no standing to bring the proceedings" (ibid: 331-332), they followed the activists' first argument and ordered the authorities "that all the documents related to Arun III should immediately be made available to the petitioners" (ibid: 337). Concerning their second claim, however, the judges maintained that the court could only "provide judicial solution for […] disputes related to public interest […] if they contained questions which require the interpretation of laws," argued further that the "demands of the petitioners are general and not clear" and ruled that "Article 88(2) of the Constitution cannot be attracted to such public issues of disputes related to the economic and political sector" (ibid: 336). Still, to many in Nepal this was a landmark decision and more than what the activists had hopped for. Apart from that, the Supreme Court ruling gave the Arun-3 campaign another boost in public visibility, not only in the Kathmandu valley – by May 1994, the controversy was on everybody's lips and whereas the national dailies had been very reluctant to report on the project before that, with the case before the Supreme Court they finally took up the topic.

The media coverage

When Gyawali's article on the 'Arun III Impasse' appeared in The Rising Nepal in June 1990, the country was far away from a free press – which makes the bluntness of his attack all the more surprising. Although

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enforcement of any other legal right for which no other remedy has been provided or for which the remedy even though provided appears to be inadequate or ineffective, or for the settlement of any constitutional or legal question involved in any dispute of public interest or concern, have the extraordinary power to issue necessary and appropriate orders to enforce such rights or settle the dispute. For these purposes, the Supreme Court may, with a view to imparting full justice and providing the appropriate remedy, issue appropriate orders and writs including the writs of habeas corpus, mandamus, certiorari, Prohibition and quo warranto."

the 1980s had seen an explosion in licenses for regional newspapers, they remained tightly monitored by the Panchayat regime. This was even more true on the national level. Despite a couple of other national dailies, by far the most important newspaper was the state-owned *Gorkhapatra* – with The Rising Nepal as its English language version. This situation of quasi-monopoly changed in 1993 when a second pair of newspaper twins was launched: *Kantipur* (in Nepali) and *The Kathmandu Post* (in English). This initiative to establish a new media outlet with a national scope and a decidedly independent editorial office was one of the direct outcomes of the Jana Andolan of 1990. To prove this point, both papers' first issue appeared on Falgun 7 (18 February), the day the protests had started in 1990.

Looking through the relatively continuous catalogue of back issues of the two English language publications at the National Library in Kathmandu the difference could hardly be more pronounced. Whereas The Kathmandu Post (TKP) started its coverage of the topic with January 1994 reporting extensively on the writ petition by the ACG to the Supreme Court and published updates on the proceedings every couple of days, The Rising Nepal (TRN) remained absolutely silent about the issue. This was again the case in late 1994 and early 1995 with the World Bank Inspection Panel investigation underway (see Chapter 4). Looking through all available issues between Gyawali's article and the pull-out of the World Bank, I could not find a single reference to the controversy or even the dam as such in TRN. And even on 5 August 1995 when news of the cancellation reached Nepal, the two paper reacted in very different ways: TKP's front-page headline of that day read: "Govt regrets World Bank's no to Arun III," followed by a second article titled "Activists rejoice Arun III demise." TRN, however, opened with "PM stresses common feeling for progress." Below this article there was a two paragraph teaser under the heading "World Bank not to fund Arun III" that was continued on page 8. This is how the government-owned newspaper reported on the cancellation of the most important development project in the history of the country. Two days later, the dam made its first headline ever and in the following weeks there was broad coverage of the issue. These articles mostly reported on asseverations by the government and the foreign donors that their commitment towards development in the Arun valley would not be changed by the cancellation. They also gave ample accounts of the attacks directed at the activists for their actions that are depicted as undermining the country's national interest.

A closer look at the coverage in TKP throughout 1994 and 1995 shows three main themes, apart from the factual updates on the progress of the project: officials claiming that the activists have teamed up with foreign NGOs to harm Nepal, that every month of delay would cost the national economy millions of Nepalese rupees (NPR) and the activists rejecting these accusations. Instead, they claimed that they were neither against Arun-3 as such nor against development altogether, but that it was the government that was behaving irresponsibly by insisting on a project not suitable for the national economy at this point in

time. Beyond these news reports on the progression of the project and the campaign against it, the coverage in TKP revealed another intriguing detail about the Arun-3 controversy. Starting in spring 1994, an extended debate about the project was unfolding on the paper's opinion pages. While the editorials refrained from taking a clear stance on it, a remarkably open exchange of arguments between opponents and advocates of the project evolved. How delicate this debate must have been for the newly established media house became clear while I examined all available issues of the paper at Kathmandu's National Library from its launch date in February 1993 until December 1995: the editors paid scrupulous attention not to privilege one side. Therefore, advocates and opponents take strict turns in their appearances. Surprisingly, however, the main figures of ACG and AfE did not participate in this controversy.

The debate on The Kathmandu Post's opinion pages

After a few short pieces, the first editorial appeared on 15 February 1994. It refrained from arguing on the viability of the project in view of the Supreme Court investigation underway. Still, it claims that there are some unaddressed questions:

> What will happen if the donors choose, just as in the case of the Narmada Dam in India, to withdraw their support half way? Has an agreement been reached with China binding it not to build, even at a distant future, any projects in the upper reaches of the Arun that may affect the flow of the water? [...] Moreover, the experience of Narmada and Tehri dams of India tell us that the task of resettling the people of the project area is more difficult than previously thought. Therefore, there is no reason why the opposing views should be resented (The Kathmandu Post 1994a).

Two days later, Hari Bansh Jha urges „all the Nepalese to join hands together in their fight against poverty by supporting the cause of Arun III" (Jha 1994). In line with the official argumentation, he maintains that any further delay „could compel us to live in the dark as in primitive days. Besides, it will also cost the nation between Rs. 30 and 35 crores per month." His main focus, however, is on the international connections of the activists, or as he phrases it, „the elements behind the Anti-Arun group." Quoting the weekly *People's Review*, he reveals them to be the United Nation's Mission to Nepal as well as unspecified Canadian and American consultants before asking: „If this is true, is it not the direct interference in the internal affairs of Nepal by the foreign elements? Who are these foreign bodies to decide what is needed for us?" Additionally, he accuses the activists of not presenting alternatives to Arun-3 as "the outdated concept of opting for small hydro-power [...] cannot work." However, the example of the establishment of pro-Arun groups like the Arun Support Committee (see below) shows according to Jha the growing democratic consciousness of the people. The members of the Committee, he continues, mostly „belong to

the area where the Arun project is likely to be constructed." The author thereby clearly intends to contrast these 'local' people in favour of the dam with the allegedly foreign controlled anti-Arun activists who sabotage the project in order to weaken the country.

Exactly one month later, on 17 March 1994, the paper opens with a strong expression of support for the latter group by a prominent foreigner: Toni Hagen. During a press conference, the Swiss geologist who first mapped Nepal, accused the donors of blackmailing Nepal with respect to Arun-3: "'Two years ago during a meeting with Nepali engineers in Germany, the German government told them either take it or leave it' said Hagen. 'This is blackmailing'" (The Kathmandu Post 1994b). Additionally, Hagen repeated the main arguments of the AfE: the fear of structural adjustment that would crowd out investment in health and education and that it would be unwise to put all eggs in one basket and to lose the opportunity for capacity building smaller project would encompass: "'When the 60 MW Khimti hydro-electric project plant [sic!] could be built by Nepali engineers why go for big projects which involve foreigners' said Hagen." Ten days later, a reply to Hagen's comments appeared through a reader's letter. Its author argues that a project like Arun-3 should have been build long ago and likens the critics to people who "appear to be hawking others' apples while their own fall on the ground to rot" (M. 1994). He asks polemically: "Does Dr. Hagen prescribe the people of this part of the earth the dirty coat and torn shoes forever?" before suggesting that it is "time now to try and beat the causative barriers of economic stagnation with international participation."

After the Supreme Court decision in May, there was one more pro-opinion in May and a contra-position in June before the first part of the debate was over. It resurfaced with full power in January 1995 after the first preliminary report from the Inspection Panel (The Inspection Panel 1994). This second round of the discussion was characterised by a much higher frequency and also for the first time staff writers of the Post clearly took up positions. There were fourteen opinion pieces between 5 January and 3 March 1995, half of them by the three main columnists of the paper. One of them, S N Sharma, started the discussion with a comparison between Arun-3 and Kali Gandaki 'A,' the project favoured by the AfE that was later built with the Japanese and ADB money previously earmarked for Arun-3. In line with NEA and World Bank, Sharma argued that "firm energy cost of Arun is half the cost of KGA and this is the most important factor for selection of any hydropower project" (Sharma 1995) and that Arun-3 would come online much faster. He closed with reminding his readers that one billion Nepalese rupees had already been spent on Arun-3 and therefore its non-implementation would be a "wastage of time and money which a poor country like Nepal cannot afford."

The following week, Barbara Adams for the first time engaged in the debate. At the time she was the only foreign staff writer of the Post and contributed a weekly column. Contrary to Sharma who blamed the

recently installed CPN (UML) government for the slow-down of the project that had made good progress while Congress was ruling, Adams (1995a) stated that

> the young, bright, nationalist, people-oriented UML Government needs all the help and support it can muster to breathe reason and sanity into the current debate. We must encourage it to stand firmly against the onslaught of the old-guard, donor-enslaved vested interests who have been loudly and mindlessly espousing the cause of Arun III.

The main representative of this old guard in her opinion was the former Vice Chairman of the National Planning Commission Ram Sharan Mahat[17] from Nepali Congress whom she unmistakably accused of corruption by "commission agents and other vested interests who had been buzzing around Arun III like hungry bees" (ibid). Coming to the World Bank, Adams claimed that "in Bank offices world-wide Arun III is referred to as 'the son of Narmada'" and closed with the prognosis that in the best of cases, ten years from then, "Arun will be able to provide electricity to one tenth of our impoverished people, who will certainly be unable to afford it." The attacked Mahat was quoted in an article appearing two weeks later on a talk programme bringing together supporters and critics in Biratnagar, the main town of eastern Nepal. The fact that the AfE refused to send a representative provoked Mahat to saying:

> They find it more convenient and comfortable to travel to Bonn, London, Washington and Tokyo to criticise Arun than spend a few days in remote villages to help the communities out there get electricity through the installation of small turbines [...]. Who would not like to talk about the virtues of 'small is beautiful', specially when it involved jet travels, and dinners at luxury hotels? Who bothers to share the life of drudgery with villagers out there in the hills (Ardayeti 1995)?

After three more comments on the environmental, technical and ideological impacts of the project by scholars, Barbara Adams returned with an article that compares foreign aid with drug addiction. Most intriguing was, however, the way she turned her opponents' accusation of anti-nationalism around:

> It is ironic that my good friend and colleague, MR. Josse - whose newspaper's logo is 'Let Nepal be Nepal' - should advocate letting Nepal be the beaten and bruised lackey of the World Bank, and other extra-national vested donor interests. One would think that he, and other pro-Arun 'nationalists,' would see that the best way to 'let Nepal be Nepal,' is to encourage its development in a purely 'Nepali way' (Adams 1995b).

Finally, the heavily attacked Ram Sharan Mahat joined the conversation with a two-part opinion piece published on 24 and 25 February. In it he tried to rebut his depiction as a staunch advocate of big dams

[17] After the resignation of the CPN (UML) government in autumn 1995, Mahat became Finance Minister.

with a "donor driven mentality" that is not interested in local capacity building in the hydropower sector and development in general. Instead, Mahat claimed that the agenda of the National Planning Commission under his leadership had considerably shifted towards small and medium sized projects. He argued against the insufficiency of a one dimensional approach and therefore called for a simultaneous development of Arun-3 and Kali Gandaki 'A,' despite the World Bank's opposition to this plan "because they think Nepal's macro economic position cannot afford both projects and managing it was difficult" (Mahat 1995a). After repeating the known arguments in favour of Arun-3 he denied Adam's Narmada comparison:

> While Narmada is a huge reservoir project displacing a population of about 67000, largely indigenous tribals, and submerging approximately 11000 ha of forest land, Arun is a run-of-the river project which does not affect more than 40 families, of which only 19 are seriously affected. The other affected families numbering 958, will be so due to road construction. The project provides an attractive compensation package including substitute land, cash and employment for at least one member of the seriously affected families (Mahat 1995b).

To conclude, Mahat discussed the complexity of the negotiations "with seven powerful donors with different rules" (ibid) and stated that the present package is the best possible under the prevailing circumstances. After Mahat's defence, the opinion pages stayed mostly clear of Arun-3 until the final cancellation of the project in August 1995 when the topic reappeared for another month and seven more op-ed articles came out, all of them bemoaning the cancellation

This debate was the first extended controversy in the first independent English-speaking daily in the country. Again, it shows that at the centre of the argument were opposing understandings of 'the national interest.' While the advocates of the project claimed that the project was technically and economically sound and any delay would harm the country unnecessarily, the opponents were convinced that the project as such was a threat to national development. By the time of the cancellation, however, the Anti-Arun camp was far from unified, as I will show in the next section.

"I haven't talked to him since 1994"

Let me go back in time for a year, though, and continue the narration where I left it after the decision of the Supreme Court. In light of it, the World Bank obviously realised that trouble was in the offing and invited representatives of both AfE and ACG to a meeting in Washington, DC that took place on 28 June 1994 (ACG 1995: 30). But before the conflict became fully internationalised with the ACG's complaint before the World Bank Inspection Panel in October 1994 (see Chapter 4), Nepalese internal politics provided for another decisive turning point in the Anti-Arun-3 campaign: the resignation of the

Nepali Congress government under Prime Minister Girija Prasad Koirala in July. The ensuing mid-term elections were held in November and although Congress could again secure the majority of votes, the CPN (UML) emerged as the largest party in parliament with a margin of only five seats (Whelpton 1995: 192). The party formed a minority government and Man Mohan Adhikari was appointed as the first communist Prime Minister of the country.

But despite the CPN (UML)'s critical stance towards the project, the Anti-Arun movement could not benefit directly from the new circumstances. On the contrary, the sudden change of government led to a split in the campaign and posed a serious threat to the whole mobilisation. As Sushil, one former activist of the AfE, brings to mind, there was a rather clear-cut affiliation of his group to the Congress Party and a strong connection between the ACG and the CPN (UML):

> Now, what happened at that point, because 1994, before the World Bank pulled out, there was the UML government […] Alliance for Energy had all kinds of people, but it was more liberal democratic, so people more close to the Nepali Congress kind of thinking. Arun Concerned Group was basically UML funded...all these guys were mostly UML, let's not forget that. So, there were strong differences, in fact, Arun Concerned Group was set up because the Alliance for Energy had been set up and the Communists, typical Communist behaviour, they can't allow anything outside of themselves. So they formed that group. And their strong argument was: We come from that area, from Sankhuwasabha, so we are the local indigenous people...So that was a strong point, now we were not interested in the kind of indigenous campaign and all that these guys got into, which I think was slightly fraudulent because there was no indigenous people submerged over there, you know, in Arun-3 […] So, this was a UML group, now one thing we knew that would happen was once the UML government came to power, Alliance for Energy was continuing its campaign and [within] Arun Concerned Group there was a split (Interview 7).

Whether Sushil and his allies had really anticipated this fissure within the ACG is of course impossible to verify now, but the split indeed occurred in late 1994: the ACG broke apart into a pragmatic wing close to the CPN (UML) that was confident in a resolution of the contentious issues with a more sympathetic government and a radical wing that did not believe in accommodation. Anil, one of the former members of the ACG recounts his memories of the events leading to the split:

> After Man Mohan Adhikari had become Prime Minister there were some people […] who said: now as UML is – our party, at least some of them – is in government we will stop campaigning. […] So, you can say that some people who were...associated with Arun Concerned Group had some, you know, vested political interest, that they had the idea that they would use Arun-3 as an instrument to criticise the Nepali Congress government, so as to popularise the UML opposition party, right?...But that was not the intention of...the rest of us...who were in the driving seat of the Arun-3 campaign. [...] Until the UML formed the minority government all of us were together in the Arun Concerned Group and we had already filed a case before the Inspection Panel of the World Bank [...] As soon as the UML government was there, the same friends […] came to me and said: Now, you know...let's stop

> it. Because we have now UML, you know, our party in government, things should be different. Arun-3 should come. And...they came to me to ask me to withdraw...this complaint from the Inspection Panel. And then I said [laughing] No...That's not...that's not fair, that's not possible and that's not how...and why have you started this campaign? So it became a big conflict, so one faction of the people were core-UML followers and activists, they decided to highjack the Arun Concerned Group [...] So they started all of a sudden, without any collective decision among the members of Arun Concerned Group, they set up a second secretariat of Arun Concerned Group, which we didn't know. So for a few months you could see that there were two parallel Arun Concerned Groups. One was led by us, we were continuing our campaign, and one was led by them who were saying that in fact Arun-3 is not a bad project but that is was the government that was the problem […] So, there was this split. And since then, we have not been together in any campaign with these people (Interview 8).

Speaking with former members of the pragmatic wing of the ACG, they deny that they simply wanted to stop the campaign because of the newly established CPN (UML) government. Rather, they ascribe the split to a certain radicalism among the other fraction that only became apparent in the course of the movement. One of them, Prakash, explained their actions as follows:

> We definitely had differences. The way they were engaged was very different. […] We were more concerned about the local issues that I mentioned, but they had some other interests as well...it is difficult to explain…They were going against all hydropower projects and sometimes they had a kind of attitude that preached against everything. Ok, that kind of identity came out over a period of time...I'm not sure whether they knew that...Even, I was not against Arun-3, but if you ask the people, still today they will tell you: he was against the project (Interview 9).

On a sunny afternoon in December 2010, I was taking a walk with Anil on Putalisadak, one of the crowded shopping streets in the centre of Kathmandu. We were talking about the division of the ACG and how it happened. Our conversion took a turn and we were discussing the recent stir about a proposed new water law when some minutes later it was time to part. Coming back to our previous topic, I asked him if he could provide me with the phone number of another former activist, whose name cropped up in a lot of the old documents. He looked at me startled and said: "Well, he was one of the others. I haven't talked to him since 1994" (Interview 10). This quote was only one very articulate example for the persisting political divisions, the mistrust and hostility among those who for a short period joined forces during the Arun-3 campaign in the 1990s and went on to very different positions and careers later on. Both AfE and ACG came apart soon after the cancellation of the project, but the latter found its successor in WAFED that also hosted the ACG's archive. Only recently this NGO disorganised after internal conflicts (Interview 1).

Civil Society in Nepal

A look at the recent literature on civil society in Nepal shows that the influence of party politics on NGOs is a reoccurring topic and not restricted to the Arun campaign. One of the reasons for this strong connection and often-unclear division between party structures and civil society lies in the communists' strategy of mobilisation during the 1980s. In 1985, the CPN (ML) formed a number of open forums to attract people, who were willing to fight for democracy. Besides that, Congress as well as CPN (ML) organised occupational groups that had clear ideological affiliations. This made them quite distinct from the civil society organisations of the 1930s and 1940s that were established well before the formation of the two big parties in 1947/1949 (Hachhethu 2006: 7-8). Prem Uprety notes that these groups included poets that were struggling against the Rana oligarchy and "wrote for the need for reforms in society; but in a very subtle way" (Uprety 1992: 19) as the Rana Prime Ministers came down hard on any threat to their power. In 1941, three leading members of the *Nepal Praja Parishad* ([N] Nepal People's Council), the first political party of the country, were executed after they had distributed leaflets calling for an uprising in Kathmandu (Whelpton 2005: 67). With the advent of democracy after an armed uprising predominantly organised by Nepali Congress supporters that had forced the Rana regime out of power ten years later, most of the educated elite was absorbed into state institutions or the political parties, again leaving very little space for civil society action. As this democratic experiment was ended by a royal coup in 1960, an independent evolution of civil society became downright impossible.

With the mushrooming of NGOs after the re-establishment of democracy in the 1990s, the dependence of NGOs on parties re-emerged, although foreign donors nowadays outbalance the parties by far as patrons (Tamang 2003). Chandra Bhatta (2007: 50) bemoans a commercialisation and monetisation of civil society in Nepal in the 1990s, leading to a "patron client culture with subtle corruption pervading the entire society." He also purports that the "western neoliberal" practice of civil society "discounted organic concepts of civicness developed in Vedic period which emphasis [sic!] on voluntarism, mutual assistance and to some extent helps to construct the civic citizenship building" without specifying his historical sources for this claim. In his opinion, this form of cultural imperialism "destroyed traditional forms of civil society organisations and resulted in the growth of self interested elite civil society organisations" (ibid).

As I have shown in my discussion of the debate in The Kathmandu Post, this dichotomisation of allegedly foreign-funded NGOs and vaguely defined conceptions of 'traditional' civil society featured prominently in the controversy between the dam's advocates and its critics. These opposing perceptions of what it means to be local and who is entitled to represent whom were also at the centre of the relationship between the Anti-Arun campaigners and the affected communities in the Arun valley.

"Since I was a local we were not beaten up."

As already mentioned, a main dividing line between the campaigns of the AfE and the ACG was that the former criticised the project for economic and technical reasons, while the latter emphasised human and indigenous rights issues and claimed to represent local people's concerns. Sushil, a former member of the AfE, called this position "slightly fraudulent because there were no indigenous people submerged over there" (Interview 7). Prakash, member of the 'pragmatic' wing of the ACG describes the dividing lines as follows:

> Alliance for Energy was basically looking at the technical part. Arun Concerned Group, our group, we had different interests. My interest, as I am coming from the Arun valley, was to look at the people's compensation, the sustainability and cost-efficiency of the project. As a concerned citizen I was looking at those three effects [...] I don't remember the exact date, but I was talking to people in my village, you know the place…People were told that it was a big project. It would be a centre of the world, ok? This is a big development. So when I was looking at the project documents I was really surprised to see that there was a plan to bring in helicopters from Singapore to carry sand and gravel and cement...and people from Arun valley had to work as construction workers in India in those days (Interview 9).

Fisher (1997b: 454) reminds us that "[a]mid their wide range of translocal connections, all NGO practices remain discursively constructed through reference to the 'local.' Yet while a notion of the local remains centrally important to the legitimacy of NGOs, it is frustratingly illusive." In her take on the Arun-3 controversy, Ann Armbrecht Forbes (1999a: 321) rightly argues that being local is always a question of perspective and that "the mobilization of identity claims is more about politics than it is about geography." Therefore, she suggests "that the search for the real local by both scholars and activists is an incomplete and misguided search" (ibid: 320).

Behind the different approaches of the two NGOs were divergent claims to representation and locality: While the ACG claimed to represent the affected population in the Arun valley, the AfE maintained that every citizen of Nepal was affected, as everybody in the country would have to pay the debts connected to the project. According to Manish, one of the former AfE activists, his group was fully aware of the largely positive sentiment towards the dam in the Arun valley from the beginning. Other than the ACG, he and his former colleagues maintain, the Alliance never tried to represent the affected people on the international level:

> The people in the Arun valley wanted the project. They were interested in the road and the jobs that it could bring. There is no denying that and that is completely understandable because the whole country was going to take a loan, the whole country's hydro future was at stake, but the people in the Arun valley and all the way down to Biratnagar were expected to benefit from it. To them it was an investment in their region. So it was very clear that the Anti-Arun people were not popular in the Arun valley. From their perspective a billion

> dollars was invested in that river valley and some of it will trickle down to the contractors, the truck owners, the landowners. All sorts of people would have benefited from it, so I was not surprised that local people...especially local vocal people for sure were for that. Us being in Kathmandu said: But is anybody asking the people in Jumla? Wouldn't it make a lot of sense to build 50 projects all over the country (Interview 11)?

Differently to this approach, some of the ACG activists had been brought up in the area and were keen to organise protest in the region as well. However, they soon had to realise how highly charged the topic was. Many of the former activists maintain that people in the Arun valley were poorly informed about the project, not told about the possible downsides and that questions of compensation and resettlement were not properly addressed. When I asked people in Num and Hedangna about their memories about the cancellation (see Chapter 6), I was surprised to find not a single person that mentioned either of the two NGOs. It was only later that I found out that none of the activists from the two groups ever came to the dam site to speak to those directly affected. Apart from a group of international activists who trekked all the way up to Phyaksinda in early 1995 (Paskal 2000), the mobilisation in the Arun valley was restricted to Khandbari and the surrounding villages - and it soon stopped due to the intimidating environment. Recounting their activities in the valley, Prakash acknowledges:

> It is easier to reach there now […] We were also not able to raise the environmental struggle […] More debates have taken place in Khandbari, there more people were interested to bring in Arun-3, because they thought that if a road comes along with it, they will benefit (Interview 9).

Armbrecht Forbes (1999a: 332), on the other hand, reminds us that the "activists in Kathmandu recognized that it would take far too long and require too many resources to educate villagers in the Arun valley about the long-term impacts of this type of project." Another former activist argued that it was too unsafe for them to travel to the Arun valley in those days:

> Local people were highly manipulated, people got a lot of money, corruption basically, the political parties were in favour of the project. When our activists went there, they always had confrontations […], gangs were organised to intimidate them (Interview 6).

Before these tensions erupted, the ACG did try to form a local group and mobilise people in the area – mostly in and around Khandbari. One of the first actions the organisation undertook right after its formation in December 1993 was to send a group of eight members to the Arun valley to attend a public hearing on compensation and check the terrain. The situation seemed favourable to find allies in the area, as there was a lot of public interest and little information about the project. After the hearing, a group of upper caste men from Khandbari were interested in joining the ACG.

Within a couple of months, however, the totally different perceptions concerning the project became apparent and the local group broke away from the ACG. They reorganised themselves and established their own group with a completely different agenda: the Arun Support Committee. Rohit was one of them and his memories show some of the problems that people living in the valley had with the transnational character of the campaign and the unclear affiliations of the urban activists:

> Once the committee was formed we published a red book about Arun-3 [Arun Concerned Group 1994b]. Where did the money come from to publish all those books? […] After this, friends went to the World Bank, some to America. Who funded them to go to America? […] It was a topic of interest to outsiders more than to the local people. People from Kathmandu, New York, India talked about it a lot. Still now when I think about Arun-3, I wonder who has vested interests in it. […] Arun Concerned Group was in total opposition to the project. I was telling them that it needs to be corrected by finding the deficits of Arun-3. […] My friends [in ACG] had an opposite view to mine. After that I left Arun Concerned Group. Then some local educated people created an organisation called Arun Support Committee (Interview 2).

But things got even more heated when one of the leading figures of the ACG visited Khandbari after the building freeze in 1995. People blamed him for the pull-out of the World Bank and a group of young men assaulted him as Prakash reminded me:

> We were also physically attacked, our office was attacked, XY was beaten up [laughing]. Once, if I had not been there with the group in the Arun valley…the same problem...Since I was a local, that's why we were not beaten up there, otherwise...once XY went there alone and, you know, there they attacked him (Interview 9).

These accounts show the problematic relationship between the urban activists and the affected people in the Arun valley, an issue that can be observed in many similar movements. Baviskar (1995: 226) discusses the undemocratic structure of decision-making within the NBA, "that is at odds with its claims to being a jan andolan," because it was run by a group of "outside" activists. But whereas in her case the directly affected people accepted the leadership of outsiders who came to their villages to organise resistance, in the Arun valley that closing of ranks did not happen, despite the fact that some of the activists from Kathmandu actually came originally from the Arun area. The main difference to the situation along the Narmada was that in the Arun valley not a single house would have been submerged. Furthermore, all my interlocutors, both in the valley and in Kathmandu, pointed to the strong interest of local elites in the project and their tremendous influence on public opinion in the area.

The international expedition

As it seems, the urban activists of the ACG were not able to transmit their opposition to the affected people in the Arun valley. Unlike their allies in the AfE, they had built their campaign on the claim that they represented the interests of local people against the government and foreign donors. While they found two peasants who claimed they had been adversely affected by the road construction and had lost their land without proper compensation to file a case with the World Bank Inspection Panel, these two only accepted to be drawn into the claim on the condition of anonymity (see Chapter 4). This shows how much of a minority the local voices against the project were. It also lends credence to the memory of my interlocutors about how difficult it was for them to mobilise people in the valley. But the example of an international group of activists shows that it was not impossible to actually travel up the Arun valley and engage the affected communities in discussions about the benefits and detriments of the planned intervention.

Anna Paskal's (2000) account of this journey is remarkable for its candidness in showing the activists' intentions to raise awareness and engage the people of the Arun valley in a transnational opposition movement against large hydropower dams. The group comprised of Canadian and US citizens, among them activists, a journalist, a student, representatives of the Cree Nation of James Bay in Quebec who had experienced the effects of a huge hydropower project as well as the two filmmakers Ali Kazimi and the late Magnus Isacsson. They brought along a film projector and two documentaries, one on the James Bay project, the other one on Narmada, to show people the devastating effects of hydropower development and facilitate discussions on Arun-3. And they were also accompanied by two surprise guests, Medha Patkar, the leader of the NBA, and Gopal Siwakoti from the ACG, who had both decided at the last moment to join the group for the first few days.

Paskal shows how the different agendas of the group members become apparent upon arrival in Tumlingtar. Patkar, Siwakoti and the filmmakers decided to show the films that evening and invited the whole village, while the Canadian fraction had planned the first screening for Khandbari. They were keen to maintain an appearance of neutrality in order to first engage in discussions about people's conception of development before the planned screening a couple of days later. About three hundred people gathered to see the films and while the technicians struggled with setting up the projector, the crowd was getting impatient and tension building up. Patkar addressed the audience by apologising for the delay:

> 'We will see the film soon. Shall we sing a song?' Before anyone can respond, Medha leads the Nepali villagers in a Hindi resistance song. Most know no Hindi […]. Only the educated Nepalis can fully understand. I wonder if Medha sees the irony (ibid: 79).

In the end the screening was called off because of the opposition of the Canadian fraction and the crowd left disappointedly. In Khandbari, after Patkar's departure, an estimated crowd of 2,000 people watched the films. The comments afterwards showed a remarkable diversity of opinions, ranging from a man, who screamed: "Foreigners should not meddle in our affairs" to somebody else who announced: "I have walked a full day to see this film. You have said what was in my heart" (ibid: 96-97). But the debate the foreigners had hoped for did not take place.

The most remarkable comment Paskal recounts in connection to this screening is her discussion with the translator afterwards. The author was surprised that there was not more opposition from people, who were in favour of the project, as the film showed how the Cree stopped the second phase of the dam. Here, the translator admitted: "'I didn't exactly say the dam was stopped. I knew that would cause too much trouble, so I changed the words a bit and said that the dam was built, but it was built how the Cree wanted it to be built'" (ibid: 97). This incident shows how despite the activists' intention to engage with the villagers in Khandbari, their intervention was flawed not only by the language barrier but also the desire of their translator not to cause a conflict. Even the unresolved question of whether they wanted to explicitly mobilise opposition against the project or hope to raise awareness of the negative side-effects through a presumably 'neutral' information of the public that should lead to a discussion on development was not the root cause of their failure. What stands behind it, I think, was the rather naïve idea to show people, who had for the most never in their lives seen a movie (let alone a movie about Canada) a documentary and assume that this would prompt them to openly speak their mind in a situation that was highly charged due to the dam project, at a moment when so much was at stake for them. Added to this was the suspicion that these foreigners might carry a hidden agenda (see Chapter 6).

The promise of being taken care of

This fundamental failure to build relations of trust, both by the activists of the ACG and the international group, can be understood with reference to Partha Chatterjee's distinction between civil society and political society. He argues that the space of civil society in postcolonial India today – as in the postcolonial world in general – is "inhabited by a relatively small section of the people" (Chatterjee 2004: 38) enjoying citizenship rights and participation, whereas the majority of the people are managed through techniques of the welfare-state as populations. To be sure, formally "all of society is civil society," but most of the inhabitants of India "are only tenuously [...] rights-bearing citizens in the sense imagined by the constitution." On the other hand, they are not "outside the reach of the state or excluded from the domain of politics. As populations within the territorial jurisdiction of the state, they have to be both looked after

and controlled by various governmental agencies" (ibid).

For Chatterjee, the idea of a civil society as the precondition of a modern capitalist nation state is at the centre of Western sociological theory of the nineteenth century and deeply entangled with discussions on freedom and equality as well as liberty and community that underpin the concept of citizenship:

> To have modern free political communities, one must first have people who were citizens, not subjects. […] For many, this understanding provided the ethical core of a project of modernization of the non-Western world: to transform erstwhile subjects, unfamiliar with the possibilities of equality and freedom, into modern citizens (ibid: 33).

In the twentieth century, he claims, the rise of mass democracy and the invention of the welfare state in the Western world led to a distinction between citizens and populations. By taking recourse to Foucault's idea of a governmentalisation of the state he argues that "[t]his regime secures legitimacy not by the participation of citizens in matters of the state but by claiming to provide for the well-being of the population" (ibid: 34). In the global South, however, these technologies of governmentality often pre-date the nation state and citizenship. In line with the understanding of Marx and Hegel of civil society as bourgeois society Chatterjee identifies civil society in the postcolony as a middle class phenomenon while the majority of the population is excluded from this sphere. As members of political society they are only mobilised in electoral campaigns. When it comes to their interactions with the state, Chatterjee (2002: 177) claims that "many of the mobilisations in political society which make demands on the state are founded on a violation of the law." Still, they demand governmental welfare as a matter of collective right. Chatterjee's distinction and his characterisation of political society can help to explain why the affected communities were not embracing the proposal to join the activists' politics of contention, and instead preferred to follow the local elites in their gold-rush mood. Paradoxically, to them the dam project served as a powerful promise to an inclusion into political society whereas the offer by the outside activists – both from Kathmandu and from abroad – must have seemed highly suspicious. With the end of the Panchayat system that had promised development without democracy and had failed to deliver it to the majority of rural communities, the emergence of multi-party democracy and the involvement of powerful agencies like the World Bank gave rise to hope that the state would stand by its promise, develop the Arun valley and start to take care of its inhabitants.

Conclusion

This chapter attempted to contextualise the emergence of the Anti-Arun-3 campaign, the first transnational civil society mobilisation with regard to Nepal. I have argued that a variety of concurrent

events were responsible for the rise of the movement: the Nepalese popular uprising for democracy, the rise of a global civil society and the emergence of a small, yet committed group of Nepalese professionals educated abroad who had brought home a new understanding of doing politics. While in the beginning their main aim was to improve the project, the refusal of the political elites to discuss their concerns hardened their stance. I then discussed the case before the Nepalese Supreme Court concerning the dam that set an important precedence for the right to information in the young democracy before turning to the totally different ways the two English dailies dealt with the controversy. Then I focused on the tensions emerging 'within' the movement – first between the AfE criticising the project on technical and economic grounds and the ACG building their campaign on human and indigenous rights' issues. Beyond that distinction, those two groups were clearly divided in their party affiliations, as most of the Nepalese civil society was in the 1990s and – to a certain extent – remains until today. This turned out to be a problem when the communist UML won the parliamentary elections in 1994 as it led to a split in the ACG shortly after they had filed their request for investigation at the World Bank Inspection Panel, the topic of the following chapter.

The other big difficulty the movement faced was the relationship with the affected people in the Arun valley, who were strongly in favour of the project and despite several attempts by domestic and foreign activists could not be convinced otherwise. While the AfE did not engage in any mobilisation in the area, the ACG tried so and faced threats and physical attacks. Here, I also analysed the account of a group of international activists who walked all the way to the dam site to also fail in engaging the people they met into an equitable conversation using Chatterjee's distinction between civil society and political society. I argue that the main explanations for the failure to organise local resistance against the project lies paradoxically in the dam project's promise to include the affected people into political society.

4 The amnesiac bank

The claim before the Inspection Panel and the withdrawal of the World Bank from the project in 1995

An unexpected invitation

On 27 December 2010 I received a message from a World Bank staff member at the Kathmandu office. It read:

> Dear Mr. Rest,
> Are you still in Kathmandu? It's regarding the Arun III; I've had a chance to talk to my colleagues about your interest in the abandon [sic!] project and it seemed there are many stories floating around. At the meantime we have sourced out some important letters and memos from the World Bank archive. So, if you are still interested, I could mail you. Let me also enquire if you plan to visit Kathmandu any time, the reason here is my World Bank colleagues and the CD [Country Director] herself is interested to learn about your Arun III knowledge; perhaps a brown bag session.
> I could elaborate on this.
> Warm season's greetings.
> Jyoti (2010)

This e-mail came as a big surprise to me. I had tried to make informal contact with World Bank staffers in Kathmandu on several occasions during my research, but whenever I mentioned that I was working on the Arun-3 project they had politely but firmly declined to comment on the topic. I had pestered my interlocutors in Kathmandu if they could put me in contact with retired staff members, but all to no avail. As the informal channels proved to be unsuccessful, in November 2010 I finally decided to try it through the front door and paid a visit to the World Bank's Public Information Office. It is located in a side wing of Hotel Yak & Yeti, one of the most exclusive hotels in the country. There, I met the person that would six weeks later send me the e-mail I quoted above. But to begin with, when I told her about my interest she responded the same way as everybody from the Bank whom I had approached in the months before: "Although I have only started to work for the Bank six months ago, I already learned that the Arun-3 case is a very sensitive topic. People are very reluctant to talk about it and I doubt that they are willing to meet you. But I can ask around and will get back to you if I am wrong" (Interview 12).

Happy as I was to receive this message, it took me two weeks until I could reply: When Jyoti sent the e-mail I was in the upper Arun valley and therefore offline. When I finally made my way back to the World Bank office during my last week of fieldwork, she asked me into her office and had another surprise in store for me. They had gone through their archive, she told me, but were unable to locate "the letter from

our [i.e. Nepalese] government to the World Bank." Now she wanted to know if I had it. What she was referring to was the letter that then-CPN (UML) general secretary Madhav Kumar Nepal had written to the World Bank, dated 18 October 1994 (actually six weeks before his party would come into power). I myself had heard a lot about this letter but had been unable to locate it, too; so I had to negate her request. Months later I realised that it was hidden in plain sight in one of the reports by the Inspection Panel (Nepal 1994). As already mentioned in her e-mail, she told me that a number of staff members were curious to learn more about my research and the history of the Arun-3 project and she suggested a meeting on my return to Kathmandu. "In fact the senior staff, they were all involved in the project in one way or another, they all want to know what really happened" (Interview 13). Could it be true, I thought to myself, that the World Bank staff is asking me to brief them on their own project? But it got even more unsettling.

Our conversation circled back to the letter and she gave me a very intriguing insight into the workings of the Bank's local office's archive: "I heard that old files will be cleared out upstairs in the main office and somebody found the Arun-3 file, so I'll ask that person to look at that file for me. If I'll get hold of it I'll bring it to my office." Was it possible that the World Bank in Kathmandu had not only forgotten what had happened to the scheme that was their flagship project for nearly a decade, but also that somebody in that office would stumble upon the archival material about it by mere accident?

After a cup of tea she introduced me to Krishna, one of her colleagues. Together they led me into a bare conference room. I was asked to sit down on one side of a huge conference table while they took seats at the far side of the table, about ten meters away from me. At times, it was hard to understand them speaking over the humming of the air conditioning. After a brief summary of my research project, Krishna went on to present the obliviousness of his institution in a slightly more elegant framing than Jyoti and referred to it as "weak institutional memory." According to him, there was absolutely nothing in the Bank's archive in Kathmandu on the cancellation of the project, so he as well suggested a collaboration between the Bank and me to find out what had happened in the 1990s. When I asked them whether their interest was somehow connected to a recently announced new energy strategy of the Bank's South Asia division and rumours about imminent new hydropower credits in Nepal, they did not contradict.

I left the meeting in a state of utter disbelief and was unsure what to make of what I had just heard. After walking down the driveway of Hotel Yak & Yeti I found myself on Durbar Marg, the boulevard leading towards the former Royal palace – and the only boulevard Kathmandu has to offer, for that matter. On my walk back to the old town I contemplated on what had just happened and why I was so surprised about it. It was not the fact that the Bank proved to be an organisation prone to failure, mistakes and bad archival practices. My previous fieldwork and the literature engaged with the practical workings of the Bank had

given enough hints to indicate that it was not the all-powerful, all-knowing organisation it is sometimes depicted as in NGO accounts. What really caught my curiosity was the candour Jyoti and Krishna showed in confessing their organisation's shortcomings and, even more so, the way they sincerely seemed interested in learning lessons from their office's biggest fiasco – their 'will to improve' to borrow Tania Li's (2009) term.

Greening neoliberalism

Could it be, then, I asked myself, that it was true what Anil claimed, one of the main Anti-Arun-3 campaigners: that the World Bank as an organisation had indeed learned from the Arun-3 fiasco and the severe attacks from a global civil society movement that categorically demanded the Bank to "reform or die" (Goldman 2005: 9)? To be sure, on the surface a lot of changes followed the Narmada debacle and the cancellation of Arun-3: for over a decade, the Bank abstained from financing new hydropower schemes in South Asia. It took until 2007 before the Bank re-engaged in the hot issue and decided to award a US$400 million loan for the construction of the 412 MW Rampur project in India's Himachal Pradesh. The borrower of the loan is a certain SJVN – the same company that is also supposed to construct Arun-3 (The World Bank 2014a). The estimated date of commissioning for Rampur is September 2013 (SJVN 2013). In Nepal, the Bank is still working its way back in: currently, a US$42 million loan is under preparation for the construction of the 37.6 MW Kabeli-A project (Butwal Power Company 2010-2011; The World Bank 2014b).

On a broader level, these controversies were instrumental for the Bank to team up with the *International Union for the Conservation of Nature* (IUCN) and establish the World Commission on Dams in 1998. The commission's report (World Commission on Dams 2000) became an important directive for a new practice of dam construction in the global South: socially and environmentally more feasible, transparent and comprehensive, and with a commitment towards benefit- and risk-sharing. But more importantly (and very much connected to these new conceptual devices for good practice), it is one of the most telling examples of the paradigmatic shift that was occurring in the Bank at that time: the massive integration of environmental and social scientific expertise into the Bank's knowledge production.

From the very beginning, this 'greening of the Bank' was a reaction to the growing environmental movements in the Bank's most important donor countries and the emerging network of global civil society organisations. Although the Bank had taken first steps towards developing its own environmental expertise already in the 1970s with the appointment of the first environmental adviser by President Robert McNamara, Robert Wade (1997) shows how marginal the position of environmentalists remained within

the Bank until the 1980s. This only changed with the emergence of a vocal and globally connected environmental movement. According to Wade's account, the first time this new actors came into the picture was in the course of the Brazilian Polonoroeste project that was a plan to connect north western Amazonia with the country's central region through a 1,500 km highway (Wade 2011). It was followed by the Wapenhans Report (Clark 2003) and, of course, the first independent review of a Bank-funded project: The Morse Report on the Narmada scheme (Morse & Berger 1992; see also Chapter 3), both in 1992.

This chapter will trace this paradigmatic shift through the prism of the cancellation of Arun-3. To do that, I will on the one hand draw on the memories of former World Bank staff members, the activists involved in the request for inspection and one former employee of the Inspection Panel I met in Washington DC, Kathmandu and Europe. On the other hand, I will engage extensively with the multiplicity of reports produced by a number of institutions, most importantly the Bank's IDA and the Inspection Panel. I will argue that Arun-3 was a decisive project in the greening of the Bank. Looking at the evolution of the documents written on this dam, I believe we can trace the emergence of the Bank's most recent development regime that Michael Goldman aptly calls "green neoliberalism." This new framework came into being after the Bank had to cope with the extended opposition by a well-organised transnational campaign from a network of NGOs that on the occasion of the fiftieth anniversary of the Bretton Woods institutions in 1994 categorically exclaimed: '50 years is enough!' (Chatterjee 1994; Danaher 1994).

But contrary to the argument of many activists who see this move as mere window-dressing and accuse the Bank of green washing, Goldman shows how the Bank has managed to integrate the critique by expanding "its neoliberal economic agenda to include new social and environmental dimensions" (Goldman 2005: 7). At this point, he argues, the Bank indeed was in a severe crisis and was losing its attractiveness as a supplier of capital for governments in the global South. His critical reassessment of the history of the institution shows that (except for a difficult period right after its establishment), it never had any problems to raise capital but was always much more concerned with finding willing borrowers. So, with the sudden rise of civil society organisations lobbying for a new set of ethical practices and their growing influence on public opinion as well legislative bodies around the globe, the Bank had to react.

In Goldman's understanding, this move was a fundamental prerequisite for the establishment of a new set of knowledge/power practices. He reminds us of Antonio Gramsci's old insight that one of the defining features for a situation of hegemony "of a fundamental social group over a series of subordinate groups" is revealed when the dominant bloc is able to "also pos[e] the questions around which the struggle rages" (Gramsci in Forgacs 2000: 205). With the fact that today very few opinions about development can be

expressed in opposition to either sustainability or neoliberalism, Goldman suggests that such a moment of hegemony may have arrived. But one important thing seems to be missing from his account of how the greening of the Bank came into being: The big number of people within the Bank who felt that there were serious flaws in the way the Bank was doing its work. From all the conversation I had with former Bank staff members, I believe it becomes apparent that as much as the cancellation of Arun-3 was part of a struggle between the Bank and a civil society movement, it was also imbedded in a struggle for a change in conduct within the Bank itself. This might be one of the reasons why the new modus operandi of green neoliberalism took shape so quickly in the late 1990s.

"What is not counted doesn't count:" The example of Natural Capital Accounting

The Bank's new development regime proved to be highly productive in the global South in a number of ways. Now a government willing to borrow money is not only obliged to structural adjustment, privatisation and market liberalisation, but also to produce and implement a *National Environmental Action Plan*. Goldman (2005: 7) argues that with this move, the Bank has succeeded to "intervene into more geographical territories and lifeworlds and in ways that its earlier work never permitted." It substantially extended the Bank's agenda to now also include "the restructuring and capitalisation of nature-society relations that exist as uncommodified or underutilised by capital markets" (ibid).

For the time being, the culmination of this total commodification of nature is *Natural Capital Accounting* (NCA). This relatively new mechanism aims at calculating the entirety of natural resources and flows in a given ecosystem. In a blog post titled "An Accounting System Worthy of Earth Day," World Bank Vice President of Sustainable Development Rachel Kyte praises the boost NCA experienced after more than 60 countries joined this new accounting mechanism at the 2012 Rio+20 conference: "With each statement from the floor, it was clear that natural capital accounting is no longer an academic concept. It is alive and well and being utilised across the world in developing, middle, and high-income countries" (Kyte 2013). Judging from Kyte's examples, NCA emerges as the new jack of all trades device in global sustainability: measures against climate change and environmental protection are no longer antithetical to economic growth, but join hands in the utopian idea of 21st century green neoliberal capitalism: a level playing field of willing buyers and sellers who will no longer waste water or destroy the rain forest, because they will each have their daily quotas in water, CO_2 and other resources/pollutants – or will only be able to consume those commodities (or more than their allowance) if they are able to pay for them. This has been one of the common arguments in water privatisation schemes: that the end of state-subsidised supply with water will lead to more efficient usage. Recent examples from the global South (e.g. Goldman 2007) show

instead that consumer prices often rise extremely while investments in infrastructure are neglected by the private companies.

> France wants to manage greenhouse gas emissions while still growing its economy. India wants to know more about the valuation of its natural capital stocks. This is where natural capital accounting comes in – a country can improve its understanding of its natural assets and how they contribute to growth. As the minister for development from France said: 'What is not counted doesn't count. We want to change this situation' (Kyte 2013).

This last sentence, of course, aims at the heart of the issue: it's so difficult to count nature, even more difficult than to count a national economy. But through NCA, nature finally becomes quantifiable and can thereby be commodified, as we can already witness in the global trade with CO_2 certificates. Furthermore, this integration of evermore things formerly unaccounted for by economists into the framework of macroeconomic statistics increases the truth claim of this hegemonic model of understanding the world. Kyte's post is headed by a short introductory video clip. It shows testimonials by high-level bureaucrats from all over the world enthusiastically embracing the new initiative. Kyte herself is quoted with saying: "It's essential to the way in which we think about the fight against climate [sic!], the fight to end poverty, or the MDG-SDG framework post 2015." At the end, Barry Gardiner, Chair of the Natural Capital Initiative of GLOBE,[18] sums up the argument:

> This is the basis for accounting for the real wealth of your country and turning one form of capital […] into something even more valuable. It's not just about some statisticians who have come up with a new way of describing things. It's about the children in your country who would have had no hope if we'd simply go on trashing the natural wealth that comprises half the GDP that gives their lives meaning (ibid).

After a dramatic break and with a severe look straight in the camera, he tells us: "It's over to you." Apart from my surprise to learn that it is GDP that gives children's lives meaning, this quote shows how important it seems to convince the audience that this is not just a new way of counting but a fundamentally different approach to nature. Read through Goldman's lens of green neoliberalism, I believe Gardiner is right. This, though, does not mean that the shift to this new developmental regime has fundamentally altered the business model of the World Bank. On the contrary, Goldman's argument shows how the integration of environmentalism and sustainability has in fact saved the Bank's neoliberal agenda. This chapter will show how the investigation of Arun-3 by the newly established World Bank Inspection Panel in 1995 is particularly remarkable for its refusal to engage with the critique brought

[18] GLOBE is an acronym for Global Legislators' Organization, a network of parliamentarians from 70 countries promoting sustainable development.

forward by the activists on the economic assessments produced by the Bank. Instead, it used the secondary alleged violations in respect to environmental and social issues as its main focus. By this, I argue, the Panel defined the path for its own range of authority and paved the way for green neoliberalism.

"Technically sound and economically feasible:" The invention of Arun-3

Jyoti's and Krishna's apparent lack of information on one of the most prominent cancellations in Bank history stands in stark contrast to the overabundance of reports on Arun-3 and the Bank's withdrawal. During my fieldwork I came across a vast number of reports adding up to several thousands of pages that were produced between 1985 and 1996. The German KfW described the scheme as the "best studied development project ever undertaken by the German government" (cited in Goldman 2005: 305, fn. 4). These documents were issued by a multiplicity of institutions (governmental, parastatal as well as private companies) and engage with a host of different forms of expert knowledge. The early reports mainly focus on economy, hydrology, geology, and seismology. But over the years an impressive corpus of works on the environmental and social impacts of the dam was produced as well. Among them at least two Environmental Impact Assessments (NEA 1993; JV Arun III 1992) and a thirteen-volume report titled "Environmental Management and Sustainable Development in the Arun Basin" commissioned by the *King Mahendra Trust for Nature Conservation* (KMTNC 1991).

But how did the World Bank become involved in Arun-3? And how, in a country full of promising, undeveloped sites for hydropower production, a dam site as far afield as Arun-3 came to be seen as the most promising, least expensive option? The history of the project starts in 1983, when the Ministry of Water Resources (MoWR) with support from the Japan International Cooperation Agency (JICA) conducted a baseline study to locate favourable spots for hydropower schemes in the Kosi river system. This survey (MoWR and JICA 1985) identified fifty-two potential projects. The Japanese engineers selected thirteen for further study (among them three of the six potential sites along the Arun). Two schemes were considered as top priority: the Sun Kosi Multipurpose Project and the Arun No. 3: "These two schemes are technically sound and economically feasible" (ibid: S-16). While the former was earmarked for export, they determined the latter as "the most attractive scheme not only in the Kosi Basin but throughout the country" (ibid: S-14). According to their calculations it was "the most economical scheme in terms of energy cost among the 52 hydropower schemes studied in the Basin […] due to the low kWh development cost" of 2.64 US cent/kWh (including access road, transmission and substation) (ibid: S-12-13). The final report identifies only one major problem with dam construction in the upper Arun valley: the total lack of roads in the area. Still, it maintains that "[t]his Arun No. 3 hydropower

scheme can generate very inexpensive energy in spite of the long access road and can contribute to regional development providing electricity for industry in the eastern area" (ibid: 179).

The project lay-out identified in the master plan study, though, has little to do with the scheme that came out of the feasibility study two years later: in the former, the engineers had suggested to build a simple run of the river project with a 23 meters weir, a 7.1 kilometres diversion tunnel to the powerhouse, a gross head of 194 meters and 240 MW of installed capacity. With projected construction costs of 307 million US-Dollars the annual output was estimated to reach 1,965 GWh. In the revamped project design that came out of the feasibility study, again conducted under the aegis of JICA, all of these numbers had increase except for one; the estimated price per unit. And while the initial planning intended the plant to be the first in a cascade series of six simple run of the river schemes along the Arun, the feasibility study is completely silent about the other dam sites that were proposed in the master plan. The new project was introduced as follows:

> The Arun 3 project mainly includes a concrete dam of 65 m in height, two headrace tunnels of 11.4 km in each length, underground type powerhouse, transmission lines of 386 km in total length, etc. and its development scale is 201 MW (3 units, 67 MW each) as the 1st stage development scheme and additional 201 MW (3 units, 67 MW each) as the 2nd, totalling 402 MW. The total energy production is estimated at 1,721.6 GWh and 2,960.3 GWh after completion of the 1st and 2nd stage development schemes, respectively (HMG et al. 1987a: C-2).

The costs for this project design were estimated at 518.5 million US-Dollars, while the price per kWh was reckoned even lower as in the mast plan study, at 2.4 US Cents. This enhanced version was planned as a pondage run of the river scheme with a reservoir lake flooding approximately 50 hectares, creating 4 km of backwater (ibid: 12-10, 12-11).

The World Bank arrived on the scene already one year after the feasibility study; the first Bank document mentioning the Arun-3 project is a power sector review from 1988. This document estimates the project costs at 813 million US-Dollars and optimistically states: "Environmental aspects do not appear to be a major item on the Arun 3 project. […] Few people live near the river […] and aquatic ecology is not anticipated to be a major issue. In addition, no wildlife was observed during the visit" (The World Bank 1988: 114).

The Arrival of the Bank

A different account of how the Bank became interested comes from the people who were working there at the time. In November 2012, I was invited for lunch in Washington, DC. My host – I will call him

Antony – was one of the engineers involved in the Arun-3 project for the Bank in the 1980s and 90s. When I asked him how his involvement in the project began, he replied:

> My boss sent me out to Nepal and said: since you know about water resources and management and hydropower why don't you go to Nepal and have a look and see what their needs are in terms of electricity supply and distribution? So…what we did was, based on conversations with people working in the electricity sector it was felt that there was a need for additional power supply. […] We put in place a program to identify what was the least cost expansion plan. That work was written up in a World Bank report […] that made a recommendation that the next project that should be developed was Arun-3 (Interview 14).

It was supposed to be the third hydro scheme with Bank funding in the country. The first, the 60 MW Khulekhani-I project near Kathmandu had been finalised in 1983. When Antony arrived in Nepal in 1987, the NEA had already started constructing the 69 MW Marsyangdi project with loans and grants from the World Bank, the German KfW as well as from the Saudi and the Kuwait funds. In the beginning, things went pretty fast and straightforward with Arun-3, as Antony remembers. The Staff Appraisal Report (SAR) for the access road was already submitted on 12 May 1989, but progress slowed down considerably in the following year when it became apparent that the Indian government was not willing to sign a power purchase agreement that would grant fixed prices for the electricity exported. And, as the previous chapter has shown, democracy 'broke out' in Nepal impetuously, leading to a radically altered political environment. Most importantly, however, bid prices for the road were about twice as high as the Bank had estimated them to be. This happened because of two reasons: firstly, the Indian semi-embargo that led to a huge inflation in prices and secondly IDA's cost estimate that proved to be unrealistic, as the Bank conceded in retrospect: "Against an appraisal estimate of US$ 33.2 million, the bid which was about US$ 90 million was found by HMG, IDA and HMG's consultant to be the most realistic price" (The World Bank 1996: 8). When Antony recollects the years leading up to the cancelation of the project, he cannot hide a strong feeling of disappointment. The first thing he told me after we met was:

> If you ask me if I changed my opinion on what should have been done then my short answer is: no. I think it was a big mistake for Nepal. […] If the government was behind it, if they were really behind it, they should have put more effort into it […]. And part of the reason [why] that happened was that the government back in Nepal, no matter what party, […] they were not focused on these things. They were…trying to deal with that new democracy […], but if the government wanted the project they should have done quite a bit more than they did (Interview 14).

The critics within

Even within the Bank, however, the project was far from uncontroversial from its inception. Unlike Antony other staff members did not think the project should be financed. Nine months before my conversation with Antony in Washington DC, I travelled to Munich to meet up with John, another retired Bank staffer. As soon as we had sat down and started to talk about his memories, it became apparent that his opinion was diametrically different from Antony's:

> From approximately 87 until 90 I was [working for the Bank] and during that time I recommended to stop the project […] I don't remember when the Bank finally dropped the project, but this project was as well the reason for the Bank to stop the funding for international dams […]. The whole thing was an economic decision because at that time only India came into question as buyer of the electricity. The demand in Nepal itself was relatively low […] and I myself while preparing the project worked in a way as a… shuttle on several occasions between Kathmandu and Delhi and negotiated with the electricity ministers and tried to urge the Indians for a contract with fixed prices at rates that were also acceptable for Nepal. The Indians do have a long tradition of suppressing countries in the periphery that are dependent on them like for example Nepal especially. […] They were not sufficiently interested in the electricity from Arun-3 to take a serious step and offer reasonably sustainable tariffs. They always said: We will buy for daily prices. But a country like Nepal can't rely on such an arrangement. Just for the World Bank to fund such a project, there must be structures in place for the money to come in to service the debts. This was the first aspect, where I really tried to convince the Indians but did not succeed. The other aspect, the one that was decisive in the end, were the environmental aspects (Interview 15).[19]

This comment is remarkable for a number of reasons: Besides showing the existence of internal opposition right from the beginning, it again illustrates the decisive influence the Indian non-interest in the dam had. But what I find most intriguing is the contradictory stance as to what was the main reason for the cancellation: Whereas John starts by affirming that his reason for disapproving of the project was its economics, he concludes with stating that in fact it was cancelled because of environmental aspects. Despite John's reservations, the Bank continued to prepare the project. As supporters as well as opponents both agree, this was due to a strong interest from senior management to move forward with the dam. Already one year after the Bank had started working on it, the SAR for the access road was submitted to the Board of Directors. But whereas the two Japanese studies had produced Arun-3 as the most economical scheme in the country with very clear and favourable – if not easily verifiable – numbers for the cost per produced unit, both the access road SAR as well as the SAR for the hydro project five years

[19] It seems important to note that this was not the first occasion when the Bank had a tough time negotiating regional issues related to water with India. Kapur, Lewis and Webb (1997: 1191) mention the frustration among top officials at the end of the 1970s over "their failure to find a formula to induce the governments of Bangladesh, Nepal, and India – more particularly India – to let the Bank be an analytical and/or negotiating handmaiden to the solution of South Asia's 'Eastern Waters' problem."

later totally abstain from presenting an estimate on the actual cost of generated power. Since the Least Cost Generation Expansion Plan prepared by the Canadian CIWEC and NEA (1987) had reconfirmed in 1987 that Arun-3 was the cheapest option, it seems there was no further need to undergird this axiom. Instead, the 1989 SAR presents a new and highly adventurous line of argumentation for the economic feasibility of the project.

First, the report established that the average energy price of "NRs 1.39/kWh is only 42% of the estimated average long-run marginal costs of NRs 3.27/kWh" (The World Bank 1989: 4), whereas the export tariff was estimated as low as NRs 1.00/kWh. Despite the fact that the Bank had already appointed its consultants to recommend a steep rise in tariffs that happened in the following decade, leaving Nepal's electricity consumers with one of the highest prices in the world (Banskota 2012: 94), these low tariffs were destroying the economists' figures: [t]he internal rate of return (IRR) was estimated to be about 5.6%. This is less than the estimated opportunity cost of capital of 10% and indicates that tariffs are currently less than long run marginal costs" (The World Bank 1989: 24).

To come to terms with the uncomfortable message of their own calculations, the Bank's economists decided to simply ignore them and instead make a bold move that would save the day: Not the real electricity tariff was an indicative measure of the rate of return, they argued, but rather the estimated consumers' willingness to pay for electricity. Without further ado or explanation of their methodology, they fixed this rate at NRs 3.94/kWh and suddenly the IRR climbed up to a reassuring 13.9%. After performing this magical twist, they remind the reader that their new figure is still a lower bound measure because their model would neither account for how the "improved reliability and quality of electricity supply" would influence consumers' willingness to pay positively, nor for the "benefits resulting from the utilization of the access road by non-power related traffic" (ibid).

"Plausible assumptions for the future." The 1994 Staff Appraisal Report

This creative way of economic prognosis was one of the main points why a group of engineers, economists and hydrologists started to mobilise against the project in Nepal and the trigger for Dipak Gyawali's (2003 [1990]) op-ed in The Rising Nepal (see Chapter 3). But the critique did not lead the Bank's economists to call their own calculations into question. On the contrary, the 1994 SAR for the hydropower project perpetuated this idiosyncratic way of economic prognosis and came up with even more adventurous figures, e.g. an economic IRR of 15.4% for the base-case scenario (The World Bank 1994b: 58). It seems important to note, though, that the acrobatics on consumers' willingness to pay is nowhere to be found in the 1994 SAR. Another thing that is missing is any mentioning of the dramatic drop of the Nepalese

rupee that had basically lost half its value in US-Dollars since the 1989 SAR for the access road. Whereas the road SAR defined one US$ as the equivalent of 24.4 NRs. (for 1 May 1988), the SAR for the dam stated the ratio as 1 to 49.48 (in June 1994). Given the fact that the Nepalese rupee had been pegged to the Indian rupee for decades and the main source of refinancing was still believed to come from bulk electricity sales to India (although, according to John's account, there had been no active negotiations between the governments since 1990) this seems odd – to say the least. Throughout the report one still finds the assumption that "exports of surplus hydro to India will be sold at 2.22 cents/kWh" (ibid: 250). The report does however acknowledge the controversial nature of the project and states:

> Because of its lumpiness, both the Government and the donors agree that project development and implementation requires a special risk management strategy. After investing more than seven years in developing this project -- controversial because of its size as compared to Nepal's modest economic resources and institutional capacity - - IDA's decision to proceed with the processing of a first stage 201 MW hydro project took explicit account of the risks involved (ibid: 10).

Given the controversy surrounding the project since 1990, it seems surprising that the Bank staff identifies the same risks as the critics: crowding out of high-priority investments in other sectors, delays in project implementation and unsatisfactory implementation of the environmental management plan (ibid). The SAR stated the project's principal objectives as:

> (a) increase the power capacity of the Nepal interconnected system at least cost; (b) strengthen the capabilities of government institutions and NEA to prepare, design and supervise the construction of environmentally sustainable hydroelectric power projects; (c) support the environmentally sustainable development of the Arun Valley and assure adequate compensation to, and rehabilitation of, the population adversely affected; (d) enhance resource mobilization and the operational autonomy and accountability of NEA; and (e) support the optimal development of Nepal's power sector including progress toward establishing an appropriate regulatory framework and an active role for the private sector"(ibid: 22).

The section on economic analysis started with the reassuring prediction that "the project is projected to generate the equivalent of more than US$100 million annually in revenues, which is about ten times the project's annual debt service costs to foreign creditors" (ibid: 54), even without a power purchase agreement with India. Especially this section engaged with the opposition against the project and explicably mentioned a "Plan B" as proposed by the critics. This would have meant to construct several smaller hydropower projects in the range of 30 to 80 MW and the postponement of Arun-3 until 2008. Based on a revised least cost analysis, though, the report concluded that this alternative scenario would be slightly more expensive. But apart from that the report puts forward a number of reasons why Plan A was

the favourable alternative: first, the lacking feasibility studies for some of the proposed alternative schemes; second, the experience that it would take three years on average in Nepal to arrange for the financing of a new project; third, the risks connected to a larger number of projects to be developed in parallel; fourth, higher environmental risks as well as two more points that round out the circular argument:

> [T]he completion of Arun 3 would put Nepal in an attractive position for subsequent power development in the Arun valley, should arrangements be worked out for major exports to the North Indian market. Finally, Government commitment to Plan A is notably strong, an ingredient which World Bank experience shows to be critical in successful project implementation (ibid: 233).

As mentioned, the SAR acknowledged the controversial nature of the project on several occasions and emphasized the extraordinary energy the Bank put into assessing the project and safeguarding the participation of affected people and opposition, both internally and internationally:

> Public consultation/communication has been an integral part of the preparation of the Arun project for which unprecedented effort has been made by HMG in collaboration with IDA and KfW. A two pronged approach was followed. The first part relates to the consultation/communication process within Nepal, and particularly in the Arun Valley, while the second part relates to consultation/communication outside of Nepal (ibid: 155).

To sum up, the SAR made a much less exaggerated case for the dam than the previous documents and showed the Bank's commitment to engage with the opposition against it. A number of environmental and social safeguarding mechanisms were presented; the Regional Access Plan, the Land Acquisition, Compensation and Rehabilitation Plan, the Environmental Assessment, or the Environmental Action Plan, to name but a few; the annexes gave relatively concise summaries of them. While still being mostly a document by and for engineers and economists, a comparison with the SAR for the Marsyangdi hydropower project (The World Bank 1984) concerning the sections on social and environmental impacts shows that the Bank had come a long way from its previous project assessments. Still, the economic analysis was based on two shaky premises: first, a yearly increase in domestic electricity tariffs of 9% for the next decade and second, the sale of surplus energy to India for a projected price of 2.22 US-cents/kWh. And while there was reason to believe in this price level (The World Bank 1994: 184-185), nobody could predict whether India would actually buy.

"Obviously, if you use these kinds of values, then any project becomes feasible and justified."

Despite these adjustments, a growing number of employees within the Bank joined the ranks of the critics. In a move that arouse a lot of attention from the transnational coalition against the dam, Martin

Karcher resigned in protest over the Board of Directors decision to continue negotiating the credits after twenty-six years at the Bank. In his last post he had been Division Chief for Population and Human Resources in the Country Department 1 of the South Asia Region. He left the Bank over Arun-3 in June 1994 "because he felt the project was economically unsound and unnecessarily put Nepal at financial risk" (Udall 1998: 412). In September 1994, the *Environmental Defense Fund* released a long interview Karcher had given to explain the reasons behind his drastic step more thoroughly.

What was missing from his reasoning was any reference to the environmental concerns raised. Similar to the early criticism brought up by the AfE, he confined his reservations to three social and economic issues: the danger of crowding out social investments, doubts that the project would contribute to poverty alleviation and most importantly, as already indicated, the validity of the economic prognosis that undergirded the whole endeavour. First, because of the huge project costs (at that time estimated around $760 million), Karcher saw a big danger of crowding out important investments in social programs and human resource development (Karcher and Environmental Defense Fund 1994: 159-160). His second major point was connected to poverty alleviation, the Bank's overriding objective of its country assistance strategy for Nepal (World Bank 1994b: 8). He expressed his doubts on how the Arun project would fit into this strategy and that its "benefits will readily trickle down to the poor, the overwhelming majority of whom live in the rural areas that will not be served by the project" (Karcher and Environmental Defense Fund 1994: 158-159).

His main point was, however, his "serious reservations about the economic analysis" (ibid: 158). Apart from the fact that this part of the project documentation became available only in January 1994, Karcher stated that "there was no indication that Nepal could produce power at a cost and sell it at a price which would yield an attractive return to Nepal" (ibid.) and that the government should have entered into negotiations with India beforehand. Furthermore, he called into question the methodology of the Least Cost Generation Expansion Plan. Conclusively, he asked: "Why is electricity consumption, a significant proportion of which goes to the better-off urban dwellers, more important than the needs of the poor, especially for an institution like the Bank which is primarily concerned about poverty alleviation" (ibid: 157)?

What I find most remarkable in this account is that it features the most outspoken attack of the economic prognosis for the project that I have come across from within the Bank. Karcher debunked the economists' claim that they could reasonably predict the Nepalese consumers' willingness to pay and hinted at the fact that there had already been vocal internal opposition against this kind of analysis. Apparently, a major revision happened between January 1994 and the publication of the final SAR in August, which Karcher claims he had not seen – the tariffs mentioned in the final report prescribed for the next ten years amount

to an accumulated increase of 224% (or about 9% p.a. in nominal terms) (The World Bank 1989: 53). Talking about the earlier version he stated:

> When I looked at the the [sic!] imputed economic value of a kilowatt hour in Nepal, I found that on average this was about 7 1/2 times what consumers were paying and I was wondering how is it possible that you can assume that the average Nepali consumer would be willing to pay something like $0.53 per kilowatt hour when we in Washington pay something like 7 or 8 cents? Obviously, if you use these kinds of values, then any project becomes feasible and justified (Karcher and Environmental Defense Fund 1994: 155).

While Karcher's move was the most drastic step taken by anybody in the higher ranks of the Bank to protest against Arun-3, he was not the first to publicly resign from his institution. In fact, for a couple of years a growing number of long-serving Bank staffers had become deeply concerned about the practices of their employer; many felt that despite all good intentions they had often failed to bring development to those whom they felt accountable to. In 1992, for example, Peter Eigen had left the Bank and founded *Transparency International*, by now probably the most renowned transnational anti-corruption NGO.[20] The most important new institution that emerged out of the 'struggle for accountability' in international institutions (Fox and Brown 1998), however, was the World Bank Inspection Panel. It was established by the Board of Directors in 1993 as an independent review board and was the first of its kind in an international institution. In a publication dedicated to its first four years in action, Alvaro Umaña, one of the three founding members of the Panel, introduces it as an "innovative tool to ensure accountability in Bank operations and to address harm at the grass-roots level. It is an instrument of last resort for local people who feel that they have been or could potentially be harmed by World Bank-funded projects" (Umaña 1998: ix).

[20] When I asked John whether he had had any suspicions on corruption in Arun-3, he categorically denied it. But he immediately remembered how TI came into being:
"The sensibility concerning corruption only emerged in the early 1990s. Until then, the word corruption was a taboo in the World Bank. Peter Eigen left at that time, I think it was 1992 […], he was the director of the World Bank office in Nairobi and during a conference of World Bank representatives in Africa he spoke with his colleagues and said: 'The World Bank finally has to do something against corruption,' because a lot of money from World Bank loans in Africa ended up in the wrong channels, too. It was a three-day meeting in Harare and on the third day the World Bank president came around for a couple of hours and Peter Eigen, on behalf of his colleagues, proposed to the president, that was Barber Conable at that time, that the World Bank would have to deal with the topic of corruption now, isn't it? Conable's answer really became history. He said: 'Peter, you can do anything against corruption that you want, but not inside this institution.' After that Peter Eigen quit and founded his association TI" (Interview 15).

"That letter from the government:" Madhav Kumar Nepal writes to Lewis Preston

On 24 October 1994, the Inspection Panel received the first request for inspection in its history. In it, the ACG claimed on behalf of two anonymous claimants from the lower Arun valley that the World Bank had not complied with its own regulations when preparing the project. A week before that, another letter had arrived in Washington, DC, which proved to be equally important for the further developments. It was that very letter to Bank President Lewis Preston that Jyoti, the World Bank staff member I introduced at the beginning of this chapter, was unable to locate in the Kathmandu's office archive. There, Madhav Kumar Nepal (1994) expressed his party's "serious reservations about the way the Project has been designed and proposed." At that time, Nepal was General Secretary of the CPN (UML) and the country was one month ahead of general elections that became necessary after the Congress-led government had collapsed. In this politically unclear situation, Nepal argued, the decision to pursue a project of such scope should not be taken. Furthermore, he claimed that the then-caretaker government did not "have the right to undertake any negotiations or reach into agreements that may have long-term consequences in the interest of Nepal" (ibid). While assuring Preston about his party's willingness "to attract foreign investment in developing our water resources," he as well stressed that, should his party form the next government, it would conduct a new evaluation of the cost-benefit as well as problems relating to environment and settlement issues "prior to any final decision" (ibid). Ram Sharan Mahat (2005: 5), while debunking all of Nepal's arguments, emphasised how critical the timing of this letter was.[21] Two weeks later, Nepal's party did indeed win the elections and soon afterwards Man Mohan Adhikari became the first communist Prime Minister of Nepal. But the CPN (UML) failed to secure a parliamentary majority and in lack of a coalition partner had to form a minority government. In light of the repetitive reference to the high importance the Bank put into the government's commitment to the project as one of the main arguments why to move forward with the loan negotiations, Mahat's argument seems to be plausible. It is also backed by Antony's memories when he claimed that it was mainly the government's lack of efforts that proved decisive for the cancellation.

Nepal's letter is an important point of reference in Nepalese domestic politics, too. With it, he set a precedent for a very specific form of *hydro-power politics* that shapes the national discourse to this day. This is not to say that water related issues had not been part of power bargaining before 1994, as Dwarika Dhungel (2009) shows. Nepal's letter, however, set the stage for a new strategic usage of hydropower projects in politics that has come to be a guiding principle since the end of the civil war and the subsequent re-emergence of a number of dam projects that have never been completed. While Nepal

[21] To this day, the former member of the National Planning Commission who later became Minister of Foreign Affairs is a staunch advocate of the dam.

(1994) holds out the "great possibility of building national consensus among the major political parties in Nepal, at least, in exploiting water resources," it is exactly this consensus building that has never been achieved. Although all political forces in the country in principal agree that hydropower is the only way to solve the local energy crisis, to attract considerable foreign direct investment and create revenue from electricity exports to India, none of the major projects that were contracted out to foreign investors since the end of the Maoist insurgency, has come to the stage of a detailed project agreement, let alone actual construction. This is because since the 2008 Constituent Assembly elections, the three major parties (Maoists, Congress, UML) have constantly been shifting their position on these projects according to whether they were in government or opposition. While the parties in power have been keen on closing the deals, those in opposition have been as committed in not letting this happen. Take for example the position of the Maoists. During their Pushpa Kamal Dahal-led government (2008-2009) they were strongly pushing negotiations with foreign investors, not least to convince the international community of their commitment to liberal democracy and the free market. But in September 2010, while in opposition, the party's Department of Water Resources and Energy issued a press release that demanded an immediate stop to all foreign-funded projects (UCPN [M] 2010). When they got back into power in August 2011, they again switched positions.

How infamous the letter by Nepal has become may be illustrated by another story: When I asked people in the villages of the upper Arun valley about the reason for the cancellation of the dam, nobody was talking about the ACG or the Inspection Panel, but on several occasions people put the blame on the CPN (UML). They mentioned the letter and identified Madhav Kumar Nepal as the real perpetrator (although some ascribed it to Man Mohan Adhikari, the Prime Minister of the UML minority cabinet).[22]

"The shotgun approach:" the Request for Inspection

As mentioned, a week after Nepal's letter, another document from Kathmandu arrived at 1818 H Street, NW, Washington, DC. A request for inspection of the controversial project addressed at the Inspection Panel, written by Gopal Siwakoti and Ganesh Ghimire for the ACG. This document was a frontal attack on the Bank, firing at the project from every possible angle. For this reason, one of my interlocutors who was involved with the Panel in these years aptly referred to the attitude taken in the request as "the shotgun approach.[23]"

[22] It is important to note, though, that all of them were educated elder men with ties to Congress.

[23] "There was a series of decision points about how inspections will be carried out before that first case before the Inspection Panel. It was very challenging because the person who drafted the request to the Panel, Gopal Siwakoti

On ten pages, Siwakoti and Ghimire elaborated their claim that the Bank had violated several of its main directives during the preparation of Arun-3.[24] They started with a charge on insufficient care concerning the economic evaluation and reminded the Bank on its commitment to energy efficiency and conservation in the developing world:

> For the project to be acceptable on economic grounds, 'the expected present value of the project's net benefits must be higher than or equal to the expected net present value of mutually exclusive project alternative'. By not undertaking the relevant studies of the alternatives such as those listed in Plan B, the World Bank has not fulfilled this very basic criteria for acceptability of the project. […] The Least Cost generation and Expansion plan (LCGEP) of 1987 and 1990 failed to take into account that the same amount of power generated from Arun III could also be generated from a series of smaller alternatives in the 1 MW to 100 MW range (Arun Concerned Group 1994a: 2).

After that, they alleged violations of the Bank's policies on disclosure of information, environmental assessment, involuntary resettlement, and indigenous peoples.
Then, they stated their rights/interests, as:

> A. Effective participation in policy-making and decision-making processes; B. Timely access to information; C. Balanced development; D. Adequate analysis of alternatives; E. Adequate compensation and rehabilitation; F. Fair access to electricity supply at affordable prices; G. Freedom from debt; H. Freedom from inappropriate lending conditionalities; I. Right to development; J. Maintenance of adequate living standards; and K. Healthy environment and sustainable development (ibid).

Despite the letterhead from the ACG, technically the request was put forward by two directly affected persons from the Arun valley who preferred to stay anonymous. Although the Resolution establishing the Inspection Panel does not restrict claims to people who are directly affected and explicitly allows for requests by a "representative in the exceptional cases where the party submitting the request contends that appropriate representation is not locally available and the Executive Directors so agree" (IBRB and IDA 1993: § 12), Siwakoti and his colleagues felt their case to be stronger this way. In April 2011, I had a

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[...] wrote a request to the panel that was very broad. For some reason he decided that he would just put everything in there, what I call shotgun approach, sort of a throw everything at and see what it is" (Interview 16).

[24] "2. Relevant Policies and Procedures of the World Bank which have been violated
2.A. Economic Evaluation of Investment Operations – OP 10.04
2.B Policies on World Bank Role in the Electric Power Sector and Energy Efficiency and Conservation in the Developing World […]
2.C The World Bank Policy on Disclosure of Information. March 1994 – BP 17.50 […]
2.D Environmental Assessment – OP 4.01 […]
2.E Involuntary Resettlement: Land Acquisition, Compensation and Rehabilitation – OP 4.30 […]
2.F Indigenous Peoples – OP 4.20 […]
2.G Wildlands Policy: […] OP 4.04 and […] OP 10.00" (Arun Concerned Group 1994a: 1-2).

conversation with Edmund, only a couple of blocks away from the Bank's headquarter in downtown Washington, DC. He had been working for the Inspection Panel from its establishment and was deeply involved in the Arun-3 case. Retrospectively, he said:

> Gopal [Siwakoti] could have gone a different route, there is provision in the Inspection Panel resolution where if in fact the atmosphere is too intimidating for people to file their complaint they can delegate that to an NGO. […] Somebody must have told him that that would be a harder test to meet, when it went to test the eligibility of the request. Since then, of course, it has been used in the Inspection Panel; it has been used in the Chinese case (Interview 16).

A couple of months beforehand, I had asked Gopal how they had found the two claimants. He replied:

> I personally have never met them...because I am not from the Arun valley and they didn't come to Kathmandu. They were arranged by our friends who were in the Arun Concerned Group in the Arun valley, so for their safety and security their names were kept anonymous...but they were the people who were displaced. [...] They were not happy with the compensation that was provided to them (Interview B).

Looking back at the case at hand, Edmund identified two main attacks on the request from within the Bank. And as it was the first case to be investigated, the decisions taken at that time proved to be very important to determine the way the Panel has come to understand its mandate:

> There were people who were very sceptical about it – well, is there really anybody in the Arun valley? – and the government in Nepal was happy to assert that everybody in the Arun valley was happy with the project and wanted it and therefore Gopal was inventing these two people. So, even the request, when it came in, was attacked behind the scenes in two ways. One was that there weren't any eligible requesters and secondly that ... it was much too broad and would cover everything and things that were not intended for the Inspection Panel mechanism to review (Interview 16).

Concerning the first issue, the Panel did the obvious and sent out a mission to the Arun valley. This verified on passing that the two claimants had good reasons to request anonymity:[25]

> We went up to the Arun valley and set down and talked with the two people who had signed [...] and indeed we found that they were living in an intimidating environment, because most of the people around them in the community were completely...they did see great economic windfall from the project and the government was promising them everything...If these

[25] By now, the names of the two claimants, as well as their addresses, can be found in the original request for information that is available from the World Bank archives online without blackening. This is the downside of the Bank's high level of transparency.

> people [...] had not kept their identity hidden they would have been probably attacked by their neighbours for disrupting the project (ibid.).[26]

The second point was the much more important issue and proved to establish a path dependency the Panel has not left ever since. As mentioned, the main claim in the request aimed directly at the heart of the Bank: It claimed that it had violated its Operational Policy (OP) 10.04 on economic evaluation of investment operations. This had been the main point of criticism from AfE and ACG all along and after studying the Inspection Panel resolution the activists were convinced that it provided for an investigation directed at the economic expertise of the Bank. But the Panel decided otherwise, for strategic reasons, as Edmund concedes:

> On the second [point] it is not so much an issue having to do with this particular claim but the fact that this was the first case before the Inspection Panel and it is clear from the record of the Board of Directors of the World Bank that they intended for the Panel to be focused on the safeguard policies, which as you know are involuntary resettlement, environmental assessment...what I call the cultural institutions...indigenous peoples [...] The other policies that Gopal [Siwakoti] alluded to, [...] from economic rate of return to national planning, [there] was probably a majority on the Board who didn't think that that was a good idea. Now, as a matter of legal principle, we on the Inspection Panel and in fact the general counsel of the Bank, Ibrahim Shihata, who wrote the original resolution to establish the Panel, did believe that all policies should be covered by the Inspection Panel...but that, our judgment on the Inspection Panel was, as the first case we didn't want to get into a fight with the Board over the question of policies, if in fact we had an adequate handle to deal with this particular request for an investigation. And we thought that the safeguard policies actually did provide that and that the other issues would be very hard for us as an investigating panel [...] just starting to be able to get a definitive handle on them. So we had explicit policies in those three areas: indigenous peoples, environment and resettlement, and we were able to use those I think to raise a series of fundamental issues about the project (ibid.).[27]

Edmund and his colleagues knew that the Board would never authorise an investigation connected to OP 10.04 and given the circumstances they decided against such a bold move in order not to weaken their cause for evaluating the other allegations. Beyond that they felt that they did not "have clear evidence and in part because the data from the Government in Nepal was never concrete and turned out to be wrong."

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[26] Edmund did not engage at length with my objection that it must have been very difficult for two white men to meet the two anonymous requesters without the whole village getting wind of the event and answered matter-of-factly: "We went outside the town itself and met the two guys and talked with them and got a sense of what their concerns were and they seemed to have real concerns" (Interview 16).

[27] Concerning the alleged violation of the claimants right to information, the Panel decided that "[w]ith respect to the alleged noncompliance with the applicable disclosure policy, the Panel thought full compliance would be difficult given that the policy evolved rapidly during the last phases of project preparation. Thus, the Panel concluded that an investigation was unwarranted in this respect" (IBRD 2003: 53).

Therefore, the Panel restricted its investigation into "alleged non-compliance by IDA with Operational Directives ('ODs') 4.01 on environmental assessment, 4.20 on indigenous peoples, and 4.30 on involuntary resettlement" (The Inspection Panel 1995: 1).

The Investigation

The Panel started its work on the request in late 1994 and decided to divide the mission into two phases in order to react to the request in a timelier manner. According to the Resolution establishing the Panel, the Bank's management had twenty-one days to respond to a request for inspection. The South Asia office did that on 21 November, engaging with the claim point-by-point over fifteen pages. The response denied all allegations and concluded not very surprisingly:

> We believe […] that the Bank has followed its operational policies and procedures with respect to the design and appraisal of the proposed project. Of critical importance for quality at entry, we have assessed the various technical, economic, financial, environmental, and sociological risks carefully, devoting considerable attention to alternative scenarios (The World Bank 1994a: 18).

In order to determine whether an investigation should take place, the Panel reviewed the request, the response and further material, mostly consisting of newspaper articles and correspondence between various NGOs opposing the project and donor agencies. Furthermore, two of the Panel members went to Nepal and visited the dam site. On 16 December the Panel came out with its report on the request to inspection, including first recommendations to the project management. In a memorandum to the executive directors of the Bank, the Panel noted "that apparent violations of policy do exist that require further investigation" (The World Bank 1996: 6[28]). On 2 February 1995, the executive directors authorized the Panel to conduct a full investigation. Simultaneously, they prescribed another internal evaluation of the project by Bank staff; the so-called April mission.[29] Let me quote Edmund again:

> That was when they [the Board of Directors] sent out really their first-grade people. […] […] Their conclusion was: we can't promise that the government of Nepal can pull this off, […] which of course is always the big question. You can write a great plan of action and come up with work in almost any other country, but in Nepal…that was when the government fell and so then the [Bank's] President had his excuse to say: well, we've got to wait until they have a stable government to decide whether we can go ahead with this (Interview 16).

[28] I was unable to retrieve the original document.

[29] Unfortunately I was unable to interview people who were directly involved in this mission. Their report is dated 23 May 1995.

The Investigation Report

Judging from all these circumstances, in spring 1995 the realisation of the dam was already dangling on a string. And while both the Panel's and the Bank's internal investigations were underway, the people involved saw increasing political tensions in Kathmandu, with Congress declaring on 3 April that it was preparing to bring down the CPN (UML) minority government (Poudyal 1996: 211).[30] After nine months of investigation and a second field trip to Nepal, the Panel submitted its final report on 21 June 1995. Many of the recommendations included in this report point to a host of problems in project design, unclear responsibilities and doubtful timeframes. Still, in the conclusion of the executive summary the Panel noted, "that IDA is moving towards and intends to comply in substance with the requirements of the three operational directives" (The Inspection Panel 1995: 5). And whereas the investigation report was in line with the April Mission's findings in most points that concern the Panel's mandate to investigate violations of the mentioned Bank regulations, it started with a detailed discussion of the prehistory of the project. Contrary to the previous documents produced by the Bank, this 'alternative' project history emphasised the problems in negotiating the environmental and social issues with the government of Nepal in connection with the access road credit. Especially the decision to change the route and the neglect of the affected families along the hill route served as clear example of how badly managed the early stages of the project had been. The report further explained how staff interviews brought to light that after the renegotiation of the project in 1992 that led to the unification of both road credit and hydropower credit into one single credit agreement, "the Credit 2029-NEP was essentially forgotten." (ibid: 16); and with it the reluctance of the borrower to address the contentious issues.

Concerning the environmental impact assessment (OD 4.01), the report stated that the Bank did not fully comply with the comprehensive methodology of the relevant policy, "instead it followed a piece-meal approach" (ibid: 23). The Panel noted several inadequacies, „including (a) the Bank's inclination to proceed with the appraisal and negotiation portions of the project before completing the environmental assessment of the valley route and (b) inadequate efforts to promote the use of local labor" (IBRD and IDA 2003: 55). Furthermore, the Panel was concerned about forest conservation and the risk of glacial lake outburst floods.[31] Concerning the road alignment the report abstained from making any judgment on which of the two alignments was preferable, but found "that the choice of the valley route will require provision for appropriate funding of contingencies to cover maintenance in the event of road wash-outs from river flooding due to monsoon rains" (The Inspection Panel 1995: 33).

[30] The government finally collapsed on 7 September.

[31] Another Bank mission to further study glacial lake outburst floods was scheduled for late June 1995 (The Inspection Panel 1995: 33).

With regards to the allegations on violations of OD 4.30 in connection with involuntary resettlements the Panel found that "IDA failed to observe in substance the policy requirements for supervision of resettlement components and consequently failed to enforce covenants in the Credit Agreement" (ibid: 34), furthermore stating that "the land of those who filed the Request for Inspection had been acquired but not physically possessed […]. Approximately 1,400 families are in a similar situation," as well as that "**provision** for access to jobs/training is not adequately addressed" (ibid, emphasis in original). The Panel also stressed that "much more emphasis must be placed on monitoring and evaluation of both the land acquisition process and implementation" (ibid: 34-35). Studies by the Bank's Operations Evaluation Department as well as regional reviews of the Bank's experience with resettlement would "point out that monitoring by IDA has been chronically inadequate despite consistent findings that oversight must be exercised constantly during implementation and beyond" (ibid: 35).

Thirdly, on the question of indigenous peoples (OD 4.20), "the Inspectors found that people who qualify as 'indigenous' under IDA's policy are scattered throughout the valley and live in conditions similar to those of non-indigenous people" (ibid: 4). Therefore, they concurred with the April mission's proposal to consider everybody as indigenous and extend the three actions required by OD 4.20 to all residents of the Arun valley:

> These actions are (i) informed participation through public consultations, (ii) security over land tenure, and (iii) an action program with socially and culturally appropriate components" (ibid). As to why this approach should be taken, the Panel explains that although "some ethnic groups are clearly more prepared to deal with the changes […] than others. Concern was expressed particularly about the Rai communities that live north of Tumlingtar […] Nevertheless, it cannot be generalized that all Rai people will need special assistance. Nor can it be ruled out that non-Rai people will suffer particular disadvantages. […] Virtually the entire population of the three districts touched by this project already live in a highly vulnerable status: for example, it is estimated that only one in ten farming families can support themselves from the land (ibid: 31-32).

Finally, the report engaged with the Regional Action Plan wherein a number of actions required by OD 4.01 and 4.20 were to be included:

> This is an innovative approach to an environmental action plan which has the potential to become either a model for future work or, if badly implemented, a serious weakness of the entire Arun-III project. […] Described in the Staff Appraisal Report of August 1994 as being 'integral' to the project, the RAP has nevertheless yet to be completed (ibid: 35).

The Panel further found "inadequate capacity for sustained coordination" (ibid: 36) of the big number of different donors and programs included in the RAP and called for yet another "redesigned and expanded RAP prior to Board presentation" (ibid). Here, it shortly touched on the subject of remembrance when it

postulated: "Since it is the first time such a regional action program has been designed, those involved in designing the original RAP need to continue their work to ensure that an institutional memory is established" (ibid) before concluding with the following point:

> "Given the complexity, scale and scope of proposed developmental interventions in relation to the existing institutional capacity in Nepal, the Panel is doubtful that the project's mitigatory environmental and social measures can be implemented within the time frame proposed by IDA" (ibid).

The cancellation: "The whole thing was settled within 24 hours."

Obviously, the findings of the Panel did not strengthen the position of the dam supporters in the Bank, the NEA and the government. But there was another decisive factor that added to all these circumstances: James Wolfensohn was appointed as the new director of the Bank on 1 July 1995. Furthermore, the German KfW had become more and more impatient over the last months and there were signs that they were planning their exit. Wolfensohn apparently demanded one more independent review of the project, this time under the leadership of Maurice Strong who had served as the secretary general of the UN Stockholm Conference in 1972 (IBRD and IDA 2003: 57). As it turned out, this was the last report on the issue for a long time: On 2 August 1995, five weeks after he had taken office, Wolfensohn withdrew his support for the dam. An office memorandum to the executive directors states that the

> separate report considered the potential for significantly higher cost overruns, an uncertainty regarding cofinancing at the present stage, as well as implementation and management aspects of the project relative to its size and risks. The review also assessed alternative means for assisting Nepal in meeting its power needs (ibid).

As several of my interlocutors have confirmed, the decision was communicated to the Prime Minister Man Mohan Adhikari and the Bank's Kathmandu office by phone.

In the archives of the German NGO Urgewald near Münster I came across a very intriguing document. Dated October 1995 by hand, it gives minutes of meetings with a number of important people at the Bank in the aftermath of the cancellation and states at the beginning: "These thoughts are pieced together from what various people said to us over the course of the week - mostly not attributable." While clearly compiled by one of the main activists, the identity of the author remains unclear. Concerning the cancellation it states:

> The decision was at least in part precipitated by a financing gap with the German government (one of the major funders) showing increasing concern.
> The decision was finally made in Wolfensohn's office. […] He apparently spoke to Joe Wood (Vice President South Asia) and passed the paperwork to Maurice Strong […]. Strong recommended against the project and Wolfensohn took the decision and went to the EDs

> [Executive Directors]. […] EDs say they were taken by surprise and the whole thing was settled within 24 hours. Wolfensohn then rang the Nepali PM and told him the outcome. The grounds for the decision were supposedly more to do with developmental issues and the potential damage to the Bank than with the environmental concerns. There did also appear to be a financing gap and it seems most likely that the Germans pulled back from the project; the Japanese claim to have been as surprised as anyone else by the cancellation.
> Many of the EDs were clearly unhappy with the decision. There appear to have been three reasons for this:
> - the rapidity and executive nature of the decision;
> - some of the borrowing countries are concerned that a project could be cancelled after this level of preparation and perceive undue influence on the part of the US NGO community;
> - some of the lending countries are worried about the precedent this sets in terms of Bank lending for large infrastructural projects. (It was implied that the UK might have been one of these.)
>
> A certain amount of flak was flung at the US who were perceived to have been fronting for the environmental NGOs. The US, however, say they were as surprised as anyone when the decision came down (Anonymous 1995: 1).

For Wolfensohn, it was the perfect opportunity to show the Anti-Bank activists in Washington, DC and around the world that the Bank was listening to the opposition and willing to change on an insignificant credit to a peripheral country concerning a badly engineered project. Or, as one of the former German activists ironically summarised the events: "A World Bank President who plays the cello and cancels a controversial project in an unimportant country – isn't that sweet" (Interview 17)?

So, five years after Gyawali's first open attack on Arun-3 based on the project's bad economics and bad implementation, the Bank essentially agreed with him in their internal communication and in conversations with the activists. Without transmission of the controversy into a social and environmental issue, however, it remains doubtful whether the Bank had ever reconsidered its finance commitment. Retrospectively, one of the former activists of the AfE contemplated on this remarkable shift that happened once the controversy had been brought before the Panel:

> From my perspective this was very much a developmental discourse, not so much an environmental discourse [...] By the time we took this debate up to the World Bank and international NGOs picked it up, it got transformed into an environmental discourse [...] It got picked up by people like International Rivers Network, the whole movement that was anti-World Bank at that time, the '50 years is enough' campaign. A lot of different people picked it up and I think they were not that interested in the whole developmental discourse because the conclusion there was different from what they were used to see. Their conclusion was: There are all these environmental impacts therefore dams are bad. Actually, if you took our argument to the logical conclusion it would be: no, Nepal will be building dams, but they should be built in step with the capacity within Nepal in a way that Nepalese can build up the institutions alongside those dams, so that these [...] are done at a lower cost, that people's energy prices are low (Interview 11).

Apart from the serious animosity the activists were exposed to after the cancellation, this surprising transmission was the second reason why to many of them their success felt like a pyrrhic victory after the first enthusiasm evaporated. Added to this was the slowly emerging realisation that it would take at least a decade to renegotiate the credit agreements with the Bank, in spite of its contrary assertions.

"None of the objectives of the project was achieved:[32]" The aftermath

Edmund's recollections from inside the Inspection Panel are very much in line with the anonymous minutes in that he stresses the kind of "shockwave" that the President's decision sent out across the whole Bank and beyond:

> At that time the future of the project was settled in Washington, it wasn't settled in Kathmandu and it was very much a top-down decision by the President, he found the whole thing an embarrassment and didn't want to have that go forward at the beginning of his term as president…the South Asian division of the Bank here was headed by a Vice-President named Joe Wood…they were extremely upset because they were really counting on having infrastructure like hydroelectric dams drive their strategies in a whole series of countries. And to have this one fall, they were concerned of undermining their development approaches with a whole series of governments where they were pushing hydro projects…and…it was…actually in that time in a way they were right, which is that over the next three or four years there was a tremendous dispute at the senior levels of the Bank over the future of hydroelectric power (Interview 16).

Once the Bank withdrew its support, it only took the other donors a few weeks to follow suit. But judging from the chaotic circumstances of the project cancellation it seems surprising that a fair amount of the money earmarked for Arun-3 did still end up in the Nepalese hydropower sector. The German money was used to fund the Middle Marsyangdi dam, one of the projects favoured by the Anti-Arun-activists. The ADB provided a 160 million US-Dollars loan for the construction of the Kali Gandaki 'A' scheme, as did the Japan Bank for International Cooperation. The World Bank remained true to its affirmation that the negotiated credit would be spent in smaller hydropower schemes through a program called Nepal Power Development Project. It took until 2003 for this project to be approved by the Board. With 133.4 million Dollars it was more or less equivalent to the projected Arun-3 loan (although in the end only 75.6 million actually came from the Bank) (Sovacool et al. 2011), but the bigger part of this money is still unaccounted for (Interview 1).

The only document from management side that ever dealt directly with the Arun cancellation was the

[32] The World Bank 1996: ii, emphasis in original.

credit cancellation agreement for the access road from 1996. Although the road credit had been fused into the "Arun III Package" in 1994 an official cancellation was necessary, as the Board of Directors had already approved the road credit in 1989. First of all, again, on the first page, this report shows impressively the deterioration of the value the Nepalese rupee over the project period – whereas 1 US-Dollar was the equivalent of 15.6 NRs. in 1984, it was 47.9 NRs. ten years later. The main unresolved question mentioned in this document – unsurprisingly – was again connected to unclear land titles and the access road: it concerned "the return of the unused land along the hill alignment to its original owners" (The World Bank 1996: ii). As late as 18 June 1996 IDA requested in a letter to the government to be informed about the measures taken in this matter.

This report determined four basic lessons for future projects: Firstly, to "avoid self-imposed pressure to accelerate project processing" and secondly, not to "ignore the dynamics of political and economic environment" and especially focus on the changes occurring during the project's lead time, both in the country but also within the own organisation. Then it criticised the decision to finance the access road as a separate project that should also work as a rural access project. This led to incomplete decisions regarding the alignment route. Finally, the report stressed that

> IDA should insist on compliance with its policies and operational directives […] even in the case of a Project […that…] never began. […] IDA failed to observe […] its own policy requirements for appraisal (the project was submitted to the Board without an adequate plan to deal with the indirect effects on the people) (ibid: iii-iv).

With this official credit cancellation agreement the unpleasant affair of Arun-3 was finally closed for the World Bank.

"The World Bank regrets to inform you that it is unable to fulfill your request."

I started this chapter with my revealing visit to the Bank's office in Kathmandu and the missing files from their archive. One year later, during my conversation with Edmund I wanted to know if there was any chance to retrieve the lost documentation of the credit negotiations between the World Bank and the government of Nepal. He was surprised to hear that I had not been able to get hold of them, but concluded that they were probably not available because they had never been finalised and therefore not archived. Another eighteen months came and went until I launched my so far last attempt to find them. The Inspection Panel report mentions both an IDA Draft Development Credit Agreement (Arun III) 8/25/94 and an IDA Draft Project Agreement (Arun III) 8/25/94. When I asked the Panel for these documents, one of their staff answered that they could only disclose information the Panel produces and

advised me to get in touch with the Bank's access to information department. A few weeks after doing that, I received a message from them stating that "the World Bank has searched its records and databases but has not identified in its possession the [documents] that you have requested" (The World Bank 2013a).

The e-mail did not indicate whether this was in any way unexpected. To make sure that was not inventing a conspiracy where there was none I replied by asking: "Are such draft agreements normally archived or is it common procedure to destroy them at some point" (Rest 2013)? The answer left no room for doubt: "Records such are[!] the draft agreements are typically included in the project files for the project to which they relate and are not routinely destroyed by the Bank. However, after an exhaustive search, we were unable to locate these particular draft agreements in our holdings" (The World Bank 2013b). Judging from all of this, it seems safe to assume that somebody from within the Bank had been instrumental in erasing traces of what had happened.

Conclusion

Eleven years after the invention of Arun-3 through the publication of the JICA-funded Kosi master plan study, no construction had taken place: no road, no dam; not a single transmission pole had been erected. Tellingly, the only things that were there in the upper Arun valley, apart from a couple of buildings that soon fell into disrepair, were three head-high holes: The tunnels at the dam site, the powerhouse site and somewhere in between that stemmed from the exploratory drillings in 1989/90 (see Chapter 6). But of course the non-existing dam did have a lot of very graspable effects in the area, in Nepal as a country, in the transnational civil society arena as well as in the field of infrastructure development in the global South.

At the World Bank level, this cancelled dam proved to be highly productive in a number of ways. As I have tried to show throughout this chapter the project evolved in parallel with the Bank's attempts to integrate environmental and social scientific expertise into its practice of knowledge production. The surveys and re-surveys conducted between 1991 and 1995 had a formative impact on the way the Bank's environmental and social assessments have been carried out ever since and how this specific know-how has become integrated into the Bank's modus operandi to establish its current developmental regime of green neoliberalism (for a discussion of how the Bank's knowledge production evolved after the Arun-3 fiasco see Michael Goldman's [2005: 151-180] chapter on the Nam Theun 2 dam in Laos).

It was the first project to be evaluated through the newly established Inspection Panel and to date it is one of only two that were stopped after the investigation. The other cancelled scheme was the China Western

Poverty Reduction Project in 1999/2000 – which was only the second full investigation the Board of Directors authorised, despite a couple of requests for inspection in the meantime of which the Panel recommended five for investigations (Clark and Treakle 2003). The Arun-3 cancellation can be considered a turning point in this respect, but it also altered the relationships between Bank, transnational civil society networks, as well as governments of both the global North and South. As the anonymous minutes from the activists show, many people in and around the Bank were concerned about the precedent this decision would have on the future of hydropower development – what they called "the combined force of the Narmada and Arun effects" (Goldman 2005: 153).

And they were right, as Edmund conceded. Wolfensohn wanted a clean slate, all hydropower credits were put on the back burner and a new arrangement emerged that fundamentally changed the way the Bank conducted business: the first full collaboration with an NGO through the establishment of the World Commission on Dams in collaboration with IUCN. By now, many other international institutions have followed the World Bank and introduced similar mechanisms.

For the Inspection Panel, finally, the investigation of Arun-3 established a path dependency in how and what to investigate. Although its constitutive resolution was explicitly written to allow claims concerning all Bank policies, the Panel has ever since served as a review board solely focused on social and environmental measures. The Board of Director's refusal to engage in a discussion of alternatives, let alone a reflection of the Bank's foundations of knowledge production, has remained intact. And it is exactly here that we can see the validity of Goldman's claim that the Bank has managed to emerge stronger than ever from one of its biggest crises. The mobilisation against the Bank that culminated in the '50 years is enough' campaign wanted to put an end to the Bretton-Woods Institutions. The pressure exerted on the Bank was instrumental for it to change its development regime. But instead of collapsing, it was able to integrate not only a multiplicity of new forms of environmental and social scientific know-how into its operations, but much more importantly to co-opt NGOs to become part of the Bank's knowledge production: "Simply put, the Bank has transformed an antidevelopment environmentalist agenda into one that works in its favour in many of its borrowing countries" (Goldman 2005: 154).

5 "They provide us with a road but sweep us away from here:"

Waiting for the Kosi-Lhasa-Rajmarg

I: If the road is built, will it bring advantages or disadvantages for you?
Richin: Nothing will happen to me. What can happen?

Arriving for a funeral

In her seminal contribution to *Writing Culture*, Mary Louise Pratt (1986: 27-28) focuses on "the vexed but important relationship between narrative and impersonal description in ethnographic writing". For this purpose, she engages at length with anthropologists' accounts of their arrival in the field. The arrival trope in classical ethnographies, she argues with recourse to Malinowski, Firth, Evans-Pritchard and Maybury-Lewis, displays a clear continuity with travel writing, often rooted in the specific motives used in the literature about the geographical region in question: "[…] Evans-Pritchard joins a century-long line of African travellers who lose their supplies and cannot control their bearers" (ibid: 39). In Pratt's interpretation, the self-imagination anthropologists transport through personal stories interlaced in their ethnographies tend to reproduce the common Western images of the lonesome adventurer, the castaway or that of the colonial conqueror and the utopia of first contact. Often, these accounts include the idyllic depiction of a native village at dawn as seen from a ship or a viewpoint followed by the formal welcome of the anthropologist and the ritual exchange of presents. Arguably, nowadays most anthropologists would refrain from explicitly using this trope and already Pratt points to critical variations on the theme, but recounting the arrival at our field sites (or, more and more often, the realisation that we have just found one) remains an important topos in ethnographic writing.

My arrival in Hedangna was far from these classical cases, but reminiscent of Majorie Shostak's (1981: 7-8, 23) account that Pratt cites as an example for a new way of self-reflexive writing in anthropology. After fantasising about an ideal arrival in a !Kung village at sunrise, Shostak describes the way she actually arrived in her field site in the middle of the night, without someone to welcome her. The !Kung men travelling with her suggest that she should make camp in the abandoned hut where Richard Lee and Nancy Howell had stayed during their fieldwork several years beforehand, thereby rendering any imagination about her being the first white woman on site as illusionary.

In my case it was at dusk, I came from the valley and was tired after a long day of sitting on the platform of a four by four and then walking uphill. Except for a pack of mixed snacks I had no supplies with me. On top of that, I was neither alone nor the leader of an expedition, but was accompanying Chun Bahadur

Yamphu Rai who had grown up in Hedangna. At that time he was working for an Austrian NGO and his former supervisor happened to be a friend of mine. This is how I had made contact and after some days spent together in Khandbari, the headquarter of Nepal's Sankhuwasabha district, Chun Bahadur had generously walked with me to Hedangna to introduce me to his parents and friends. But all of this has nothing to do with why I mention my arrival at Hedangna. I recount this scene because it coincided with a tragedy; the accidental death of a 15-year-old youth who probably would still be alive if there had been a road connection to the next hospital.

It was already dark when we reached the house of Chun Bahadur's parents as we were caught by surprise by a sudden shower of rain – it was Mid-November and the monsoon had already ended – just when we entered the village and sought shelter on the porch of the nearest house. Once we had arrived at Chun Bahadur's family, his mother shooed us inside the house and started to serve dinner immediately. It was during my second serving of rice that Chun Bahadur's brother Dipen Bahadur brought the bad news: At a pick-nick organised by some of the village's teenagers, one of the boys had gone to fetch water, slipped and had fallen off a cliff. The boy was alive, but severely injured. As one of the two trained paramedics in the village, he had been called to the emergency, but could do nothing except disinfecting and staunching the bleedings – "All we have in our health post is plaster and paracetamol" (Interview C). He ate hastily and left again. When I got up the next morning, I learned that the boy had not made it through the night. We had a quick breakfast and left for his parents' house where a big part of the villagers had already gathered for the funeral procession.

This procession was my first walk through the main section of Hedangna, the village where I was based for all my spells of fieldwork in the upper Arun valley between 2008 and 2011. Hedangna is a settlement of approximately 280 households spread across on an east-facing ridge in Pathibhara VDC at an elevation of around 1300 meters. The inhabitants of the village identify themselves predominantly as Yamphu Rai with smaller numbers of people belonging to other jat living there as well. Whereas a small cluster of houses (called *gadi* [N]) is approximately forty-five minutes walk uphill from the dam site of the Arun-3 project, the main village (*mulgaon* [N]) is situated another twenty minutes further up the ridge and extends for fifteen more walking minutes both to the north and the south.[33]

Hedangna is a relatively densely populated settlement and stonewalls and fences demarcate the boundaries between households. The house of the deceased teenager was situated on the northern fringe of the village and the funeral procession to the upper cremation spot at the southern end of the settlement transected the whole village. Most of the rice harvest had been completed on the terraces above the settlement and

[33] Distances in rural Nepal are generally measured in walking time.

the straw was piled up to impressive heaps on the barren fields to dry. Children were playing around them. Nearby, a group of men were slaughtering a water buffalo for the funeral meal.

The funeral happened on 22 November 2008, eight months after the memorandum of understanding on the resumption of the Arun-3 hydropower project had been signed between the government of Nepal and SJVN. At that time, around half of the way between Hedangna and the nearest hospital in Khandbari was covered by a motorable road.[34] That, though, did not mean that using a car for this half of the journey would cut down travel time considerably; either way it would take a fit person the whole day to get from one place to the other. This is mainly due to the bad condition of the newly constructed road that for the most part is a very simple single-lane dirt road without gravel topping or drainage system. Therefore, it is only negotiable with tractors and four-wheel-drive vehicles. In combination with the high amount of rainfall during monsoon, these heavy vehicles lead to deep ruts, often filled with water and mud that increase travel time considerably. Beyond that, the old footpath is following a much more straightforward course, cutting through the road's serpentines. All that said a road all the way up to Hedangna, even in this poor condition, still would have enhanced the chances of survival for the teenager considerably, mostly because carrying a severely wounded person on a stretcher through the night is a completely different matter from walking or driving. My association, however, was much more naïve: I had grown up at a similar altitude, in a similar topography, at a similar distance from the next hospital in the Austrian Alps. There, it takes the ambulance fifteen minutes to cover the distance.

During several trips to the Arun valley since then, I have seen the road approach Num, the central market town of the upper Arun valley, directly above the proposed dam site. In early 2011 it was only a few kilometres short of it and Num bazaar as well as Hedangna on the opposite side of the valley were full of rumours about the width and the exact route as well as with speculations about what would change once it finally materialised. This chapter will follow the road up to the Arun valley, where people have been waiting for its "arrival[35]" for more than twenty years. As I hope I have made clear in the last chapter, the road was both the main reason why people were so enthusiastic about the Arun-3 dam and one of the main reasons why this project never took off. First, I will discuss the significance of roads in the anthropological literature, give a short historic account of roads in Nepal and recount the deferred story of this specific road. I will argue for an understanding of roads as one decisive technology of how modern

[34] Considering the recent past, this was already a huge development as Khandbari, the headquarter of Sankhuwasabha district was only connected to the national road network in early 1999 (Armbrecht Forbes 1999a: 337).

[35] The word my interlocutors most commonly used in connection to the construction of a road was *āunu* [N] (to come, to reach, to arrive, but also to progress to). I will return to this point later.

nation states aim to extend their control over territories and populations, but at the same time focus on the instability and fragility of these attempts. For this purpose I will make use of Penny Harvey's call for a topological approach to roads that is less concerned with the metric qualities of places but instead focuses on the ways in which they are connected and the relations that hold them together, as Edward Leach (1961: 7) has already proposed fifty years ago. I will then discuss the ambivalent feelings people living in the two mentioned villages have towards the road and the uncertain outcomes its arrival will bring. The history of the upper Arun valley, the mythology of the Yamphu Rai and the practice of two ritual experts will illustrate a pervasive feeling of being "left in the middle" at the centre of one major corridor between South and Central Asia. The historic and current experience of this specific position is a common topic among many people in the Nepalese hills. I will argue that this is the main reason why so many of my interlocutors are keen for the road to be finally constructed, but simultaneously express deep concerns about its ramifications on themselves and their communities.

Situating roads

"Can asphalt be a political territory?" asks Paul Virilio (2006 [1977]: 30) rhetorically, before positioning the road at the very centre of his discussion of "Speed and Politics." The defining features of the modern state, he argues, are mobility and acceleration, the ever-increasing speed of transportation and communication. In the totalising fashion of early poststructuralism he proclaims: "there was no 'industrial revolution,' but only a 'dromocratic[36] revolution;' there is no democracy, only dromocracy; there is no strategy, only dromology" (ibid: 69). Despite the usefulness of this intensification and the high importance many theorisations of modernity attribute to questions of speed and the concomitant emergence of new conceptions of temporality (e. g. Knauft 2002; Harvey 1989; Koselleck 1985), Virilio's point is a strong oversimplification. Modernity surely is a lot of things, but definitely not only acceleration.

Dimitris Dalakoglou and Penny Harvey (2012) review the anthropological literature on the topic in their introduction to a recent special issue on ethnographic approaches to roads. According to them, the occupation with roads starts with Max Gluckman's (1958) classical essay on the opening of a road bridge in Zululand in 1938. His brilliant analysis draws a powerful picture of race, class and gender relations in the Union of South Africa. In retrospect it serves as a highly intriguing harbinger of recent anthropological interest in the ambiguity of these spaces of connection and separation where diverse groups of people interchange and interact. Contrary to Marc Augé's (1995: 85-87) well-known statement

[36] From the Greek dromos (race course) and cratos (power).

"that motion and spatial mobility were generally seen as antithetical to classical anthropology," Dalakoglou and Harvey (2012: 4) maintain that anthropologists were in fact not indifferent to mobility as, for example, the important contributions on nomadism and migrant communities since the 1960s show. Rather, they argue, anthropologists before the late 1970s were reluctant to engage in research that would have jeopardised the neat classification of clearly delimitable cultures that represented one of the central paradigms of the discipline at that time. Akhil Gupta and James Ferguson (1992: 7) have dealt with this problem at length and termed it as "this assumed isomorphism of space, place, and culture."

In the meantime, things have changed considerably; Dalakoglou and Harvey (2012: 2) rightly point to the fact that "mobility has come to define the contemporary human condition as never before, [yet] never before have so many people felt so deeply the consequences of their exclusion from a condition where mobility is embraced as a correlate of freedom." This is reflected by a large number of recent contributions on mobility and some of the concepts developed to cope with this shift of attention – terms like flows (Appadurai 1996), networks (Castells 2000) or liquidity (Bauman 2000) – have gained unprecedented currency in every-day language. The last few years have seen an ever-increasing interest in roads in anthropology (e.g. Harvey 2012; Bürge 2011; Knox and Harvey 2011; Campbell 2010; Dalakoglou 2010; Wilson 2004; Masquelier 2002, 1992; Stewart and Strathern 1999) and there is a well-established literature on the subject in the social sciences and humanities in general (e.g. Merriman 2012; Cresswell and Merriman 2011; Moran 2010; Featherstone et al. 2005; Wollen and Kerr 2002; Miller 2001). Most of the literature on mobility is, however, concerned with who and what travels or stays put and the effects of the increased movement of people and things. What is commonly neglected in discussions of flows, -scapes or networks is the materiality of infrastructure. A recent contribution addressing this lacuna is Harvey's (2010) discussion of concrete where she argues that the homogenising promise of concrete stands in contradiction to the heterogeneous matters it connects, both in the material and social domains.

Arguably, the construction of roads has been at the heart of the idea of development since the inception of the first modernisation programs. And despite all the changes that the postcolonial development paradigm has gone through, building roads continues to occupy one of the top ranks on the development agenda – for Western donors, governments in the global South as well as many of their citizens. Frank Ellis (1998: 27) notes, "[i]n participatory exercises improved road access is one of the most frequently desirable items on village wishlists. Improved rural roads reduce the costs of all types of spatial transaction, including labour, output, input and consumer markets." On the other hand, as Adeline Masquelier (2002: 829) reminds us on the example of Niger, in many parts of the global South "roads are the embodiment of colonial experience." Or take postcolonial Peru, where "[r]oad building was associated with brutal attempts to re-instate colonial systems of forced labour" (Wilson 2004: 523). These contradictory

reactions to the potentialities of the motorable road show the ambivalences inscribed in this core technology of modernity. The construction of roads serves as a central tool of increasing control over territories and the rule over populations in modern projects of state-making but at the same time, these same roads give people enhanced opportunities for movement as well as access to new markets and commodities. The following sections will elaborate this point on the example of Nepal and the road up the Arun.

Roads in Nepal: A short history of state making

Looking at the history of roads in Nepal, their importance for the creation of a modern nation-state becomes very graspable and the reason why they arrived so late in this country – only during the 1950s – is directly linked to the late arrival of modern forms of rule. More importantly, this history shows that roads in Nepal have never been a simple matter of internal mobility of people and commodities, but were part of transnational connections and disconnections between South and Central Asia from their very inception. Beginning with the first road projects right after the independence of India and the Chinese occupation of Tibet, they have been inextricably connected to the relationship between these two uneasy neighbours and the attempts of Nepalese politicians to maintain or renegotiate the ties with them. This becomes even more apparent when we look at the names of the roads and the politics of nomenclature inscribed in them. Nepal is the only country in the region that was never occupied by colonial powers. After early attempts by the British Empire, the East India Company decided in the early nineteenth century that a colonisation of the mountainous Kingdom of Nepal would not provide enough profit in trade to justify the effort (Stiller 1973: 28). This is one of the main reasons why road construction started particularly late in Nepal, as the "ruling class regarded improvements in transport facilities as a threat to their remaining authority. Offers of British help to link Kathmandu with India by road were refused" (Blaikie et al. 1977: 27). Blaikie, Cameron and Seldon point to the similarity with other states like Ethiopia or Iran that were not colonised and remained nominally independent in the nineteenth and early twentieth centuries. Although the tiny class of feudal landlords who were ruling Nepal could have taken advantage of an institutionalised system of bonded labour to have roads constructed, that very system made transportation for them so cheap that they had no interest in changing anything about it. And because the British colonial administration in India allowed them to move their troops over Indian territory, not even for military purposes roads seemed necessary. With the independence of India, however, things changed considerably. In 1950, the success of the revolutionary upheaval against the Rana regime was directly connected to the lack of roads in the country: The government in Delhi simply refused the Rana troops to transit through its territory. King

Tribhuvan returned to the throne and a constitutional monarchy was declared. The easy success of this revolution was one of the main reasons to convince subsequent governments of the importance of a road network as an instrument to maintain rule, a precondition for modern sovereignty and a reduction of the dependency on India.

When it comes to Nepal's northern border, however, until the very recent commencement of a number of new road projects to connect the country with Tibet, "Nepal's status as a cul-de-sac for the subcontinental road system has only been breached by one road since the 1960" (Campbell 2010: 268). Before the invention of the combustion engine and blacktopped roads, Kathmandu had been the main hub for commodities and information between Northern India and Central Asia, but when the first road reached the valley from the south in 1956, the city had moved to a position of considerable periphery. This road was built and financed by the government of India and named *Tribhuvan Highway* after the recently deceased King who had died in Zurich the previous year. In 1960, the Chinese government came up with a plan to extend the Indian road to the Tibetan border and ultimately to Lhasa. The Chinese offer provoked great unease in New Delhi, but the newly inaugurated King Mahendra signed an agreement with the Chinese government in the following year. Ever since this strategic move towards China, both the usage of the China card to threaten India as well as an anti-Indian rhetoric addressed at the domestic population has been a defining feature of Nepalese politics.

The so-called *Arniko Highway* (respectively *Friendship Highway*, as it is called on the Tibetan side) was opened in 1967 and fifty-five years later it still is the only motorable road crossing the Himalayas. Chinese-Indian animosities continued to erupt in connection to infrastructure development in Nepal; most pronouncedly in the 1980s, during the construction of the *Mahendra Highway* (named after Tribhuvan's son) covering the entire country from west to east over a distance of 1040 kilometres. The route runs through Nepal's low-lying Terai region, often in very close proximity to the Indian border and when New Delhi found out that Beijing had offered to construct big parts of this road, it rushed to build the road by itself. Apart from China and India with their obvious interests in Nepal, a number of other foreign countries and international organisations have constructed roads. Among them are the United Kingdom, the United States, the Soviet Union, Switzerland, Saudi Arabia, the World Bank and the Asian Development Bank. Recently, the dependency on foreign donors in road construction has become slightly less extreme, but due to the comparably high costs in the Nepalese topography and weather conditions, roads remain one of the central areas of development assistance. Currently, the ADB is the most important donor in this respect (Asian Development Bank 2012).

The Kosi-Lhasa-Highway

As I have mentioned above, soon the Arniko Highway will cease its uniqueness and a number of new connections between Nepal and China's Tibet Autonomous Region will become available. According to Ben Campbell (2010), work on the Rasuwa road in Central Nepal is close to completion. Two more connections are developed in the far-western region of Humla (Giri 2011) and through Mustang, the Upper Kali Gandaki valley north of Pokhara. Another road will lead up the Tamur valley in the country's far east. The fifth new route is the planned road through the Arun valley. While the Department of Roads refers to this scheme as *North-South (Koshi) Road Project*, most of the people I talked to call it *Kosi-Lhasa-Rajmarg* ([N] Kosi-Lhasa-Highway). This new connection will be a relatively easy gap closure: the Arun-3 dam site is only thirty-three kilometres south of the Chinese road head at the border. Plans for an international road connection through the Arun valley predate the reincarnation of the controversial hydropower project (The Nepali Times 2004) and seem to have been mainly pushed by the Chinese side and local opinion leaders in the Arun valley while the government did not prioritise the endeavour before 2008.

Ill. 6: A boy guarding rice and beer near the road head at Kuwapani, 10 October 2010.

In 2009, the Department of Roads announced a contract for a detailed survey of the northernmost 22.5 kilometres of the marked-out route (Government of Nepal et al. 2009). To find out more about how the recent acceleration of a road construction that had been deferred for more than a decade came to be, I visited Purna Prasad Rai at his house in Uwa, a village about one walking hour north of Hedangna. The trained primary school teacher joined the Maoist movement in the late 1990s and at the time we met (and until its dissolution in May 2012), he was representing the constituency of the Upper Arun valley in the Constituent Assembly in Kathmandu. Purna Prasad explained that he had put in a lot of effort to accelerate the road project and attributed his success to his good relations with the top-rank of the Maoist party. He was convinced that the track would be open within four years, i.e. in late 2014:

> I am proud to say that I have contributed 75 per cent of my effort to the public highway. If not, it would have not been successful. Many people tried […] but they weren't successful because there were a lot of institutions involved and people from a certain rank were not able to reach there. I think it was my luck that at that time I had good relations with the finance minister [Baburam Bhattarai] and with Prachanda [Pushpa Kamal Dahal]. The Kosi Highway is a road that does not provide facilities only for the local people but for the country as a whole. […] This road is not just for the trade between Nepal and China but favourable for business all over South Asia (Interview D).

To me, Purna Prasad's emphasis on the instrumental role he played in finally making the road a reality showed again how important this project was for his constituency and how much his political career would depend on the question whether this road would finally arrive. As in most of rural Nepal, this emphasis on infrastructure development was an issue beyond party politics, as the other Constituent Assembly member from the area, representing the Nepali Congress, was lobbying for the construction of an airstrip in Tashigaon at that time. His main argument was that this would boost tourist arrivals to the Makalu-Barun National Park (see Chapter 6). Initially, it was planned that the entire road works for the Arun-3 access road should have been completed in January 1993 (The World Bank 1989: 36). The next section will give a short account over the road's prehistory and its entanglement with the failed hydropower dam.

A history of deferral

When the government of Nepal announced that it would construct the Arun-3 hydropower project and first exploratory works at the dam site started in 1987, local elites all over the area became aware of the huge economic opportunities that would come along with a project like this. In anticipation of the arrival of foreign engineers and consultants, new hotels were constructed as far afield as Biratnagar, the major city of eastern Nepal right at the Indian border. But the main reason for excitement, and the main target for

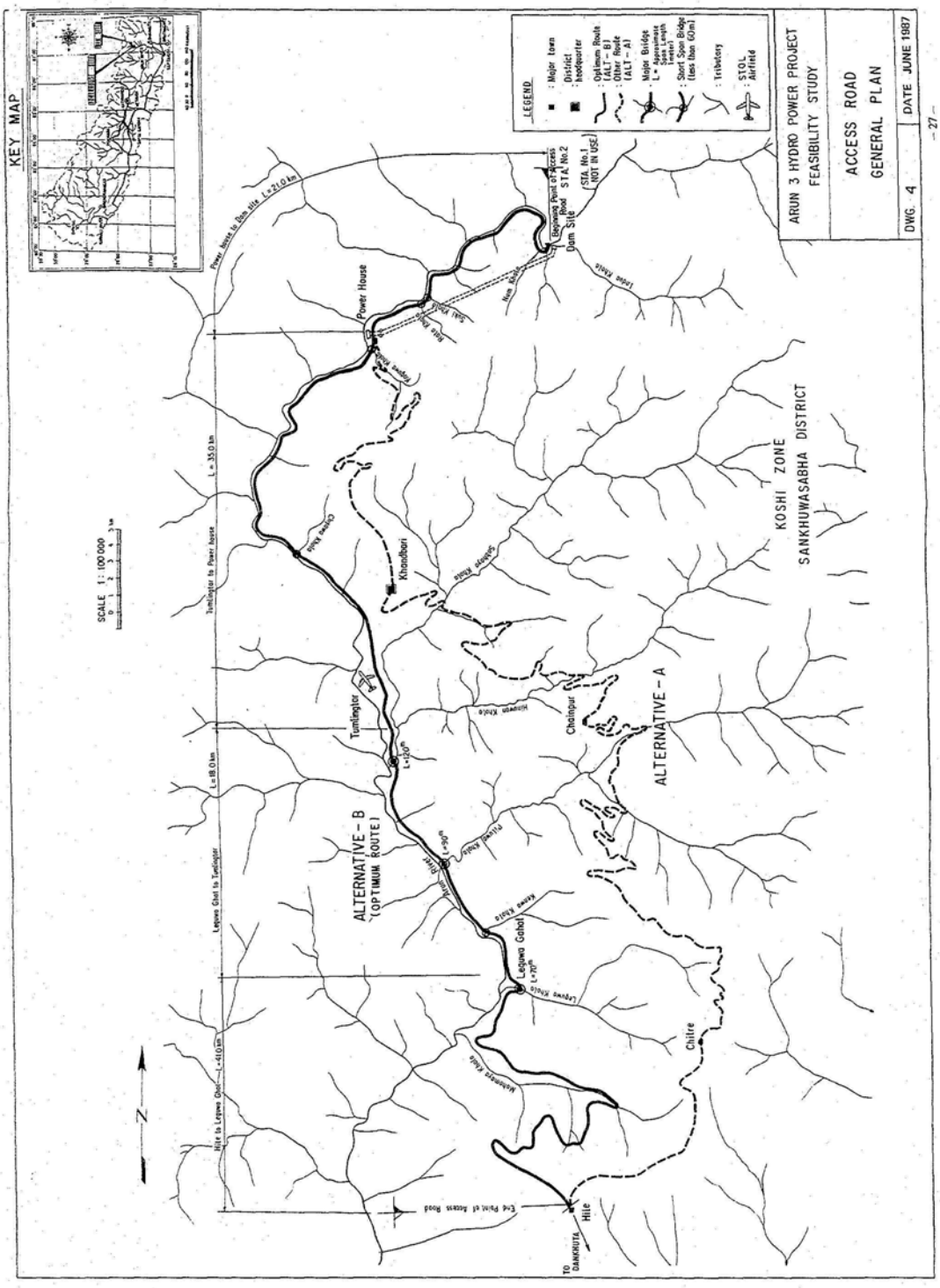
investment, was the access road to the dam site. When the World Bank revealed the plan to construct a 192 kilometre long, gravel-surfaced all-weather road, local landowners rushed to buy as much land as possible along the marked-out route. As one of the former Anti-Arun-3 activists in Kathmandu remembered: "In these days, one *haat* [N][37] of land was often sold for several *lakh* [N][38] of rupees" (Interview 7). The road was planned as an extension of the Dhankuta-Basantapur road that had been constructed by the Swiss Development Corporation and the British Overseas Development Agency in the early 1980s. The route "selected as being the most economical in terms of construction and maintenance, consistent with sound environmental planning, is in mountainous terrain and follows the ridges wherever possible" (The World Bank 1989: 13). Apart from linking the construction site to the national road network this alignment was supposed to serve a second purpose: To connect the main settlements on the eastern side of the Arun valley and their estimated population of 500 000 to the industrial and agricultural centres of the lowlands. This second point was the main reason why the Bank preferred this so-called hill route over the route proposed by JICA "which planned for the road to follow the river alignment to the powerhouse and dam site" (The Inspection Panel 1995: 5). The main advantage of this so-called valley route was that it was shorter, therefore cheaper and would, presumably, take less time to construct.

The World Bank Staff Appraisal Report summarises the main objectives of the road to be threefold, adding a perplexingly tautological argument to the two mentioned above: To strengthen the government's "capabilities to administer rehabilitation of families affected" (The World Bank 1989: 12). Given the fact that the dam itself was not supposed to submerge a single house, the Bank here obviously tried to convince itself that one of the advantages of the road was its ability to support those people its own construction would displace. The estimated total cost for the road amounted for 40 million US-Dollars of which 82% were to be covered through an IDA credit.

Three months before this report appeared, in February 1989, the Department of Roads had floated a tender for the road. And soon the trouble started. As discussed in Chapter 3, the Indian blockade of Nepal in 1989/90 drove up inflation, but as the Bank later conceded, the first cost estimates had been far too low in any case. In light of these new developments, the government wanted to deploy the Royal Nepalese Army to construct the road under the supervision of the Department of Roads to save time and money. The Bank plainly refused. This small detail shows the naivety of the government and their total lack of understanding for the Bank's business model that was at that time pursuing a fiercely liberal agenda centred on awarding contracts to private (preferably Western) companies. When later that year the Bank announced a new bid, the cost estimate had nearly tripled.

[37] Literally one hand; an ell, approximately 18 inches.

[38] 1 lakh equals 100 000.



Ill. 7: Both road alignments with the hill route dashed (His Majesty's Government et al. 1987b: 27).

In what seems to have been a frantic attempt to retain control over the project after the government had realised that with the Bank on board, the rules of the game were different from bilateral loan agreements, it decided to integrate the access road and the power plant under one single credit and to entrust the NEA with the overall supervision of the entire project. The arguments were that through this move there would be a higher level of co-ordination, flexibility and saving in construction schedule as well as lesser risk of time-overrun and environmental hazard (Pun 2010: 6). This was done in spite of the fact that the Board of Directors of the Bank had already approved the credit for the road on 30 May 1989 (The Inspection Panel 1995: 14). With this sudden change in the project structure the Department of Roads was completely out of the project and the NEA was supposed to construct a road, which it had never done before. As the main argument for the separate road credit – the hope for its faster construction – was no longer valid, the Bank did not object to this change of plans.

But even then road construction did not commence. On the contrary, and in contradistinction to the assessment of the Bank's report, in May 1992 the NEA decided to change the route of the road back to the old alignment proposed by the Japanese feasibility study in 1989. Instead of opening up the settlements on the eastern ridges of the Arun valley, the access road should now follow the river to shorten the route from 192 km to 117 km and thereby bring down the project costs. Rajib, a retired NEA engineer remembers:

> The hill route was 192 km, longer, because generally, you know, when you look at Nepalese villages they like...they don't like to stay down in the valley. So, initially it was planned to connect the villages and so forth. That is why I said that it would have really opened up [the valley]...But then, because India refused to buy that 200 MW and they had to bring it down to 200 MW and they had to reduce the cost, it got delayed, […] and then…by more than 60 km they reduced the road in order to reduce the cost of the project (Interview 18).

With news of the changed route spreading rapidly, speculators rushed to buy new land along the valley route and a second speculative bubble emerged. Many of the actors involved belonged to the wealthy landowning elite of the eastern Terai region and rumours about their identity were a constant topic of speculation throughout my fieldwork. Especially the alleged participation of political leaders of both Nepali Congress and the CPN (UML) was often mentioned – not only when talking with people in the Arun valley. In August 2011, I met a former World Bank staff member in Zurich who told me: "I heard that Jhala Nath Khanal bought a lot of land along the route" (Interview 19). Khanal hails from nearby Ilam district, has been in the top ranks of the UML for decades and served as Prime Minister in 2011. But the most serious consequences of this sudden change of route were felt by the communities along the hill route, a fact that had already come to light with the publication of the Environmental Impact Assessment for the valley route in 1992 (JV Arun III 1992). Already two years before that, *Joint Venture Arun III*

Consulting Services had sent a social scientist to the villages along the hill route to investigate what had happened with the land compensation landowners had received there, only to find out that most of the affected people had already spent the money without being able to restore their prior standard of living. Most of the households had used the money to repay debts or for occasions like marriages and funerals. But even those who managed to save the compensation money and wanted to buy land were mostly unable to do so because of the extreme inflation in land prices after the compensation money had flooded the villages along the route. The investigation report by the Inspection Panel very clearly expounds this point:

> The impact on former property owners was catastrophic in a number of ways: (1) they had lost title to their land to the government; (2) the cash compensation they had received for title had been largely spent in non-productive purposes; (3) if the government were to attempt to follow the letter of the law, by offering the land to original owners at the price they were paid, they would not have the cash to regain the land, and it would be auctioned to others; and (4) the road would not go through their communities, thereby depriving them of immediate alternative income opportunities. On top of this, the attention of IDA shifted entirely to the valley route, leaving them forgotten in an outlying area (The Inspection Panel 1995: 17)

Again, actual road works on the new alignment did not start. An article in The Kathmandu Post from 7 January 1994 states that "[t]he first phase of the multi-million dollar project, construction of a 117-kilometre access road, is scheduled to begin this month" (Upadhyay 1994). By that time, the costs had further increased: "Construction of each kilometre of the road is estimated to cost around 50 million rupees, an ACG booklet says, which is going to make it by far the most costly in the country" (ibid). Eighteen months later, in summer 1995, the World Bank announced that it would not proceed with negotiating the credit agreements for the whole Arun-3 hydropower scheme. This happened after a six-months investigation of the whole project through the newly established World Bank Inspection Panel, as I have elaborated in Chapter 4. After the other donors had cancelled their support for the project as well and people in the Arun valley were outraged, the ADB announced that it would still finance the Regional Action Program that had been sketched out during the loan negotiations. Most of this money was still used for road construction, as in the end both the valley and the hill route were constructed, though much slower than planned. By 2011, both routes were functional during most of the year and the hill route had recently been black topped. They conflate in Khandbari. As mentioned the route further up the valley is a very recently constructed single-track dirt road that is so far only negotiable by off-road vehicles. In 2013 the bulldozers arrived at the dam site in Phyaksinda (Magar-Yamphu Rai 2013).

Towards a topology of roads

Contrary to the rhetoric of reports by organisations like the World Bank that understand roads as relatively straightforward means to accelerate the flow of people, commodities and information from place A to place B, the historical contextualisation of road construction in Nepal and the prehistory of the Arun-3 access road show clearly the eminently political character of any new road and the importance of roads in state-making projects. On the example of post-revolutionary France, James Scott (1998: 73) argues that roads were one of the essential modern technologies that made provinces "far more accessible, far more legible, to central authorities then even the absolutist kings had imagined." But, as Penny Harvey (2012) claims, such 'topographical' understandings of roads as stabilising modern state-making projects run the risk of reducing them, again, to the rather straightforward "idea of roads systems as imposed grids which integrate state-space through the connective force of a network" (ibid: 79).

Against attempts to reduce roads in this sense, Harvey points to the complex plurality of infrastructural spaces and therefore suggests to use a topological approach instead that might offer "a language for articulating the instabilities and fluctuations of state territory in explicit contradistinction to the topographical or metric idioms deployed to conjure more static notions of state-space" (ibid: 77). While topographical thinking is rooted in singular and absolute depictions of space and distances, centres and peripheries, a topological approach, by contrast, is much more concerned "with how spaces are organized, with the connectivity properties that arise from certain arrangements of elements, and with their transformations […] without implying that they arise from some inner necessity or coherence" (Collier 2009: 80). It draws

> attention to the spatial figures where insides and outsides are continuous, where borders of inclusion and exclusion do not coincide with the edges of a demarcated territory and where it is the mutable quality of relations that determines distance and proximity, rather than a singular and absolute measure (Harvey 2012: 78).

But while topology challenges the stable categories of topographical conceptions of space, it does not replace them, as John Allen (2011: 284) demurs:

> Topological understandings merely bring us into line with many of the shifting geographies of power practised routinely by overstretched NGOs and civil society campaigners, dispersed government authorities and sprawling corporations, as well as overlapping supranational institutions and biopolitical agencies.

When it comes to roads, Harvey adds for consideration, their qualities as 'practical spaces' that are built with an explicit intention to stabilise and fix uncertain terrains, makes them problematic objects for topological analysis. Because they connect otherwise disparate people and places, they often are

understood as "overcoming rather then manifesting difference" (Harvey 2012: 79). Her discussion of four cases in Peru shows, however, how controversial and unsettling roads can be. In the case of the road up the Arun valley, this is the case as well. As I am dealing with a road that still remains to be constructed for the most part and has only recently materialised in its southern section, the rest of this chapter will attempt a topology of the ambivalent spaces this road is supposed to connect and the ambivalent feelings towards the changes that will come along with it expressed by the people who live along its route.

Unstable sovereignty: *Kipat*

First, I want to show how unstable and complicated the question of territory and sovereignty is in the area the road is about to penetrate. Since its integration into the Hindu Kingdom of Nepal, the royal state in Kathmandu has had a hard time claiming sovereignty over the upper Arun valley. Different from other regions of the country and until very recently, the indigenous Rai communities of the area experienced a relatively high level of autonomy form the central state. This was most prominently expressed by the special land tenure system of kipat that was in effect until 1994. Soon after his ascendance to the throne of the chiefdom of Gorkha halfway between Kathmandu and Pokhara in 1743, Prithvi Narayan Shah started the military expansion that would result in the creation of the Kingdom of Nepal under the Shah dynasty. After defeating the small kingdoms in the Kathmandu valley in the 1760s, his troops headed further east and met strong resistance by the Kiranti, the ancestors of the Rai and Limbu groups of present-day eastern Nepal. As the Gorkhali were unable to defeat them, Shah struck a deal: "As long as the Kiranti paid tribute to the king, they would be allowed to be kings in their own lands. […] These rights were embodied in the land tenure system of kipat and sealed in a royal decree" (Armbrecht Forbes 1999b: 117). The central particularity of kipat is that it was a communal, customary and ethnicized form of land tenure. Rights to it were exclusively reserved to members (*kipatiya* [N]) of the community who could claim direct decent from those who had originally cleared the land, but there was no individual right to a specific plot of land and rights were frequently redistributed. Due to these characteristics, at least in theory, "*Kipat* land generally could not be sold outside the community" (Regmi 1976: 89, emphasis in original).[39]

The category of kipat always stood in stark contrast to all the other forms of landownership in Nepal. By contradicting the feudal logic that all land in the kingdom was ultimately in the possession of the king, kipat questioned the sovereignty of the rulers. Apparently unsure as to how to come to terms with this

[39] On the other hand, Mahesh Regmi (1978: 110) claims that „[d]uring the early nineteenth century, kipat lands appear to have been freely sold and mortgaged." Looking at the recent conditions in Hedangna, even fifteen years after the end of the kipat system most of the kipat land is still held by kipatiya, i.e. the Yamphu Rai families claiming decent from the first settlers of the area (Yamphu Rai 2011).

immanent threat to its sovereignty, the feudal state kept on shifting between two conflicting strategies in dealing with kipat. On the one hand, it decided to simply ignore it, as kipat was never mentioned in any of the governmental land or revenue settlements, thereby rendering it invisible from an official point of view. On the other, through undocumented practices, "legislation has reduced considerably the area held under kipat" (Caplan 1970: 4) over the last two centuries and at times the government tried to withdraw these rights altogether (ibid: 56-60) – at least in the upper Arun valley without success. One main reason for this failure might have been its fragile claim over the region. According to Christoph von Fürer-Haimendorf (1975: 114) the whole area north of Hedangna used to belong to the rulers of Sikkim. Against the autonomy of the Yamphu Rai's claim to their territory, the Nepalese state finally won this struggle after more than 200 years in the course of the cadastral survey of 1994. Since this event kipat is officially abolished and all kipat land was transformed into *raikar*, i.e. land that is taxed according to its actual size. It now is personally owned and can be freely bought and sold. This, however, does not mean that kipat has lost its importance as a means of belonging.

Compared with the Limbu areas further east, the abolishment of kipat seems to have happened particularly late in Sankhuwasabha district. Ian Fitzpatrick (2011: 39) for example reports the abolishment of kipat rights among the Limbu of Mamanghke in Taplejung district in 1985. This particularity is also apparent when looking at the land revenue data for the 1980s. While in 1986/87 in the two districts to the south of Sankhuwasabha (Dhankuta and Bhojpur) land revenues amounting to 335 000 respectively 427 000 NPR were collected, the number for Sankhuwasabha was a meagre 11 000 NPR (Department of Land Revenue, HMG in Shrestha 1989: 61). The cadastral survey of 1994 proved to be a watershed for the relations between the people of the upper Arun valley and the state and Ann Armbrecht Forbes (1999b: 116) has argued that only with this step the state succeeded in integrating the area into its territory after two hundred years of struggle. The survey also changed the relations between households by establishing for the first time an official cadastre whereas claims to land were chronically unstable and had to be constantly reinforced by a multiplicity of performative practices beforehand (see Chapter 6).

For the road, the cadastral survey had another surprising outcome that reproduced the uncertainty of land titles despite the new system of land registration. Already in 1992, the government had bought the land along the marked-out route and people had been compensated for the land lost. But during the cadastral survey two years later, this land was not surveyed separately. I am not sure why this happened, but some of my interlocutors indicated that this was a result of miscommunication between different government agencies. A year later, when the dam project was cancelled and the construction of the road suddenly seemed highly unlikely, people were able to get land titles for these plots as if the government had never bought them. Therefore, they could be sold to others. Twenty years of selling and reselling has led to a

situation were many people did not know that the road would consume the land they had bought and that someone in the line of previous owners had received compensation for this.

"Whose land is it?"

The place where these problems seemed most urgent was Num. This village is situated on the western-looking ridge above the dam site on the opposite side of the valley from Hedangna and therefore the last settlement before reaching the Arun-3 dam site from the south. With around 250 households, Num is approximately as large as Hedangna, but more diverse when it comes to people's jat affiliation. The majority of inhabitants are, however, Yamphu Rai, too. It accommodates the main bazaar of the upper Arun valley and the road was supposed to run right through it. A couple of guesthouses and restaurants cater for travellers there and it is an important transhipment point for the mule caravans that carry cardamom down the valley. In one of these guesthouses I met Badri and Boras. When I asked the two young men about the problems with the road and unclear land titles, they explained the circumstances as follows:

> Badri: The citizens are paying [land] tax for the road [route].
> I: Where are you paying the tax?
> Badri: We are paying it in the Land Revenue Office. They haven't separated the road. Otherwise, we would not be paying tax for the road.
> Boras: What happened was that in 2050 [1993/94], a survey was taken from your house until the road. In your name, the surveyor gave you an ownership slip. Then in the next year, you sold it to someone else. Registration was passed successfully. Then in the next year, that person sold it to someone else. In such a case, whose land can we say it is? Is it Arun-3's property or a person's property (Interview 20)?

This clearly added another layer of uncertainty to the already complicated relation between the people and the delayed road. Some of my interlocutors alluded with bitter irony to the fact that after two decades it turned out that some people were compensated for a road that was never built on their land (as they were able to sell their expropriated land once again) while others would lose their land to the road without being compensated (those who were so unlucky to buy these very plots of land). With the abolishment of the kipat system, the amount of land that could be freely bought and sold had increased manifold in the upper Arun valley. This is not to say that there has not been a land market in the area before that, but especially the Yamphu as kipatiya were participating in a very limited manner in it.

Another important uncertainty was connected to the width of the road. Especially in early 2011 when the road construction crew with their excavation machine and their trucks were rapidly approaching Num bazaar, the market was full of rumours about how wide the road would be – some said seven meters,

others fifteen and a third group claimed that the road would be – at least in its final dimension – thirty meters wide. Tula Ram, who runs a small guesthouse that I used for most of my stays in the village, told me:

> The road will follow the main trail to the market. This is very good for us, as our house is right next to it. But we still don't know how wide the road will be – if it is 15 meters, I will lose me whole veranda. I already measured it; it would practically reach the wall of our house. This is not possible. Other neighbours say the same thing. If they will construct a 15-metre road you can be sure that we will obstruct all the works (Interview 21).

As mentioned, the announcement of the Kosi-Lhasa-Rajmarg is only one of a handful of new roads that will soon connect Nepal to Tibet. The apparent interest of China to accelerate these projects is arguably only part of a larger shift in Chinese foreign policy towards its southern neighbour – and as Martin Saxer (no date) argues might be indicative of a newly emerging regional strategy aimed at its western borders. Until recently, China has by and large accepted the strong economic and cultural entanglement of Nepal with India as limiting a more active role and has always kept its interventions in Nepal's interior affairs to a minimum – very contrary to the role of Indian diplomacy. But as mentioned before, since its annexation of Tibet in 1950, it launched a number of calculated provocations of India (most prominently the arms deal of 1989 that I have elaborated on in Chapter 3). However, China has always been careful to retreat soon thereafter. Especially its backing of the monarchy during the Maoist insurgency showed a keen interest in maintaining the status quo and Nepal as a more or less stable buffer state in this highly sensitive border area. But as Rajeev Chaturvedy and David Malone (2012) stress, China's interest in Nepal was always very distinct from India's as it was focused on one single issue: the activities of Tibetan refugees. For decades China has unwillingly accepted the so-called Gentleman's Agreement between Nepal and the UNHCR that provides the safe passage of Tibetan refugees to India. In 2010, this changed and Nepal's police forces and border guards are increasingly returning Tibetans that managed to slip through the ever more closely observed border (ibid: 307, Lee 2011). But also on the cultural front, China's outreach towards Nepal has increased considerably. When I returned to Kathmandu after several months of fieldwork in the Arun valley in early 2011, everybody was talking about the new FM radio station that had started broadcasting in Nepali by China Radio International (Koirala 2010). Many people I talked to about the issue were impressed by the high journalistic standard of the news desk and the Nepali language skills of the Chinese radio hosts.

"We are still trying to find the proper way for the road"

Whenever I asked people in the Upper Arun valley about their opinion on the road, they would unanimously stress the necessity for the road to be finally constructed and its importance for the local economy. "I think the road is the backbone of development" (Interview 22) as Hel Bahadur put it, a high school teacher from Hedangna who is now living in the district headquarter Khandbari. But this does not mean that people feel exclusively positive about the road. On the contrary, their expectations about the immanent future of their villages and the valley they live in are characterised by a deep ambivalence towards the promises and perils of increased connections and faster travelling. And while my interviews show that young people are in general more enthusiastic about the potentialities of the road than their parents, most of them are very much aware of the "side-effects of development" as well. Take for example my conversation with Umesh in front of the higher secondary school in Hedangna where he teaches. When I asked him what will change with the road he replied:

> It will bring changes that no one here has seen. […] We tried to bring a road that will go around the mountain so it will have minimum damage in our village. There was already a survey conducted before. We took that old map and met with the surveyors. They told us that the old map was done by the old government and cannot be used this time. The current map will take away local people's houses and farms. Later, we understood that the main road would bring a lot of dust and robbers into the village. So they decided to construct the main road below the village. […] It's good that the road is coming, but we are still trying to find the proper way for the road (Interview 23).

Adeline Masquelier (2002) highlights the deeply ambivalent feelings of villagers in Niger towards roads as sites of danger and potentialities. By focusing on stories people tell about what happens on the road she comes to understand them as part of a complex economy of violence, power and blood. She especially draws our attention to the widespread stories of road accidents being caused by evil spirits that often materialise either as beautiful blond women or as "black trucks" that take up the whole road and approach cars to kill their passengers through a head-on collision. These entities once resided in the trees that were cut down during road construction in colonial times and now restlessly roam the paved highway. On the other hand, Masquelier argues, the road represents a powerful pathway to magical wealth for those who know how to use it. "Hence, every year many illiterate young men struggle to obtain the coveted driver's license that will enable them to achieve the mobility so widely associated with modernity" (ibid: 836).
I did not come across stories of evil spirits roaming the Arun-3 access road. But soon after my return to Kathmandu, I visited the temples of Pashupatinath with a friend. When it was time to return to the city centre, we decided to walk towards Ring Road to catch a microbus. After we had reached the broad thoroughfare and crossed the bridge over the Bagmati River, suddenly Judith told me that she had to show

me something. We crossed the street, climbed down the bank and she led me to a giant tree overgrowing a shrine right next to a bridge girder. Then she told me that when the Chinese were building this stretch of Kathmandu's Ring Road, the shrine of the deity of Pigamai (or Vajresvari) lay directly on the marked-out route. The plan of moving it was met by fierce opposition from the Newar community of the area, the former town of Deopatan, and, as it seems, Pigamai herself. In the end it was decided to extend the Bagmati Bridge and to house the shrine in a tunnel beneath the bridge. Axel Michaels (1993: 158) quotes the memories of a local inhabitant:

> A few years ago, when they were building this road, they wanted to relocate Pigamai [...] to the south. Everyone here was against that. But no one listened to us especially not the construction workers. One of them rammed the large tree at the site of Pigamai with a caterpillar. At the same moment, two snakes came out of the tree and bared their fangs. Well, three days later the poor man was dead. He died in terrible pain. There was also an earthquake in China at the time when the man touched the tree. So a difficult situation had arisen. It was only possible to resolve it because King Birendra Bir Bikram Shah and Mao Tse-Tung got together and conferred with each other. They decided that the goddess should remain there and that the Ring Road should pass on over her.

This comment shows how far-reaching the implications can be when a road construction runs into trouble on the local level and how people imagine the two heads of state coming together to negotiate the opposing interests of the road and the goddess. Michaels (2008: 204) is quick to sort this story into the category of myth, because apparently this meeting never happened. By contrast, I believe the simple fact that Pigamai did not move and it was the road that had to make way for the deity is a very apt example of non-human agency. According to one of Masquelier's (2002: 838) interlocutors, these things happen in Niger as well:

> Even the whites who have cars, they know where there are spirits. Sometimes, they bring a bulldozer to take away a tree but they don't succeed. If they kill the tree, the bulldozer's driver is going to die. And if they bring another driver, he, too, will die. This is why whites now avoid trees, and make the road curve instead of cutting a tree.

Both these cases are variations on a basic theme that can be found in many places around the globe: that violence against nature (and especially violence against trees) will inevitably lead nature to commit acts of retribution against the human perpetrators. What makes the Kathmandu case even more intriguing is the fact that Michaels contrasts the persistence of Pigamai with the flexibility of a second goddess, Managalagauri. Her shrine was moved during the same road construction in 1976 without any opposition or casualties. Whereas the latter is a benevolent Hindu deity and a form of Parbati, the consort of Shiva, Pigamai is a tantric goddess that demands sacrifices of blood and alcohol. According to Michaels (1993:

158), these entities "are wild and independent, menace single individuals and the town, demand human sacrifice and threaten to unleash disease, epidemics and failed crops if they are not regularly appeased with offerings at their seats." If they are satisfied, however, they protect the village and especially the harvest. Their shrines are usually situated outside the town limits where they protect the community from harm. Therefore, Pigamai's furious resistance to her relocation seems to be connected to the importance of her liminal position on the border. Another possible explanation that comes to mind is, again, a very simple one: maybe it was all about the tree? Had Pigamai's shrine been moved this would unavoidably have meant the end of the tree overgrowing it. Managalaguri's, on the other hand, was treeless.
Similar to the way the Newar community of Deopatan appeases entities like Pigamai with sacrifices of blood and alcohol, the Yamphu Rai of the upper Arun valley have to keep their ancestors content, too – they have to "feed" them, as my interlocutors would call it, with rice, millet beer and meat (mostly chicken, as this is the favourite meat of the Yamphu). Journeys to distant places are central to the performances required to maintain the delicate relationship between ancestors and living Yamphu, to restore these relations if they are jeopardised, as well as in the treatment of victims of witchcraft. This kind of travelling, however, is very different from using a road, as the following section will show.

Down to Varanasi, up to Lhasa – Travelling by naming

When I returned to Hedangna in autumn 2010, I found my friend Peresti in a very bad shape. The young woman I had come to know as an affable and hands-on person was not herself at all. She hardly spoke or ate and had been lying in bed most of the day for the past two weeks, as her in-laws told me. When she got up, she would sit on the porch staring emptily into space with expressionless eyes. Obviously, her *lawa* [Y], her individual essence, had been detached from her body. The first thing to do in such circumstances is to call a *yadengba* [Y] to find out if somehow the ancestors had been offended and caused the illness. The Yadengba arrived in the afternoon to perform the proper rituals in front of the *mangsuk* [Y],[40] a two-story bamboo shrine that is located on the eastern wall of every Yamphu house in Hedangna and is the seat of the linage ancestors. He started his chanting on the porch, searching for the mangsuk, travelling to their particular place and calling them to come to attend the feast. Then he moved to the first floor, opened the mangsuk and offered rice and millet beer to the ancestors. After some more chanting, a chicken was brought and slaughtered in front of the shrine to offer some drops of blood to the mangsuk. The Yamphu say that the ancestors are like very old people and like very young children at the same time:

[40] Mangsuk is both the name of the shrine and the name of the lineage ancestors.

they are very powerful but simultaneously very moody. So it is very easy to offend them and it often happens without ill intentions. As most of the living do not see them, they can easily trample on them when they roam around the house, for example. Moreover, Yamphu myths explain the reason why the ancestors decided at some point in history to become invisible for the living and live separate lives from them by their disappointment over the ignorance and greed of the living. To prevent the small every-day insults from estranging the ancestors to a point where they would start to harm the living, the mangsuk puja is performed on a regular basis to maintain good relations with the linage ancestors that protect the house, the people living there and the rice stored therein.

The following day, however, it became apparent that nothing had changed and Peresti still was in her apathetic state. So it was obvious that it had not been the ancestors who had caused her illness, but had probably fallen victim to an act of witchcraft. In such cases, only a shaman (*mangma* [f]/*mangpa* [m] [Y]) can help. The Mangma arrived in the afternoon. Unlike yadengbas she works at night, and while the former's puja at the mangsuk is directed towards the east, it took the two assistants of the Mangma most of the afternoon to prepare the western wall of the house's main room for her work. When they were done, the whole wall was covered with a curtain of different plants. Soon neighbours, relatives and friends started arriving to attend the performance.[41]

Another stark contrast to the mangsuk puja was the public character of the shamanistic treatment. After sunset, when the assistants started beating the rhythm on a drum and a brass plate, the room was already full of people and there was hardly a place left to sit. Slowly, the Mangma started chanting herself into trance, the room was full of smoke and murmur, children lay down to sleep, old women were rolling cigarettes and chatting vociferously while Peresti, the person undergoing treatment, was lying in her bed on the first floor, seemingly detached from the action. It took the Mangma until 4 am until she had determined the cause of Peresti's illness. She declared that her food had been cursed. A chicken was slaughtered and the house purified. After that, she isolated the curse and put it inside a calabash. Together with Peresti's family she left the compound and buried the calabash about fifty meters south of their house on one of the main village pathways close to a central junction. Thereafter, she announced that all the household members were safe from harm for the time being but that an unspecified relative living outside

[41] It is important to note, though, that there is no strict separation between yadengba and magma. A person can actually be both, although my Yamphu interlocutors would point to the fact that until now only men have achieved this double position. So far, no woman has been chosen as yadengma, a fact that might soon change, as some speculated. But women can become shamans and one does not have to be Yamphu either. I even heard the story of a Chhetri woman who had been initiated as mangma in the Yamphu tradition. Armbrecht Forbes (1995: 110) recounts that during her fieldwork in Hedangna in the early 1990s, there were several tailors and blacksmiths that were also shamans. As they did not drink alcohol they were cheaper than Yamphu shamans and therefore called on by poorer families, but considered less powerful.

Hedangna might die in the following months. The next day, Peresti seemed already much better and colour was returning to her face. Two days later, she strapped her son on her back and headed out to the paddy terraces to weed.

Ill. 8: The mangma travelling, 20 October 2010.

Left in the middle

The reason I engage with these two rituals is that both yadengbas as well as mangmas in their work, through their recitation of the mundhum, travel through the landscape of the Arun valley, and they do this quite literally. As Martin Gaenszle (1999: 136-137) observes

> [s]uch ritual journeys are also known among various other Tibeto-Burman speaking groups in the Himalayas […], and one might go as far as saying that they are one of the most unique characteristics of the hill region's 'tribal' religions. What is of special interest in the Himalayan cases is that these journeys are not only mythic journeys (as in other parts of the world) but journeys through the real landscape and thus combine cosmological notions with the known geography.

Both yadengbas and mangmas are initiated in the mundhum, a corpus of ritual texts that is used to communicate with the ancestors and non-human entities. It uses a highly antiquated form of Yamphu

that is said to have remained unchanged for generations and is for the most part unintelligible to laypersons (for a detailed discussion of Rai ritual language see Allen 1972). But it is not secret knowledge in the strict sense of the term, as many of the elder men of Hedangna know certain parts of the mundhum. But only those who were given these words in their dreams – i.e. yadengbas and mangmas – are allowed to chant them; and these spells only unfold their power when they are chanted. Ann Armbrecht Forbes (1995: 85) explains that the translation of the chants of the mundhum as such made little sense. They "are often simply lists of objects that have a place in this world: flower names, place names." But they become powerful because through their exact recitation they allow the ritual experts to travel to the locations of different non-human actors and engage with them. As Gaenszle (1999) elaborates on the example of the Mewahang Rai, a group that lives in close proximity to the Yamphu Rai, these mythic journeys are always arranged on a vertical level, they first lead away from the middle ground of every-day life in the hills of Eastern Nepal either down to the plains or up to the mountains where the entities they are searching for reside, before they in a second step return to the middle.

Armbrecht Forbes (1995: 111-114) describes the ritual journey of a Yamphu mangpa she calls Kelekpa who is looking for lost lawa in a way very similar to my example. Starting from the household's clan tsawa, the specific spring that is the mythical place of origin of each clan, he travels south to Kasi (i.e. Varanasi) where he enters the underworld and continues his downward journey through eleven vertical levels to the centre of the world. There, on a clear lake, sits Manguhang. He is the one that gives yadengbas and mangmas their dreams and to him they travel to ask his advice.

Kasi, the place in the south, is directly connected to the history of the Yamphu as a distinct group of people. Interestingly, as Rutgers (1998: 6) remarks, they lack a creation myth. But their legends tell that their ancestors used to live in the south, as tell the migration myths of many other Rai groups, for example those of the Mewahang Rai (Gaenszle 2000: 49–50). The Yamphu say they used to live in Kasi before one of their forefathers moved north through the Arun valley to Lhasa and further to Kharta. There he married a Tibetan woman and they had two sons. These two moved back south along the Arun and finally settled near the springs of Hedangna and Seduwa (Rutgers 1998: 409-414, for a different account see Armbrecht Forbes 1995: 67-69 or Chapter 6). This mythic background explicitly shows the Yamphu Rai's awareness of their position at the centre of one of the most direct routes between India and Tibet and demonstrates that the perceived remoteness of the area is a very recent phenomenon that is directly connected to the invention of the combustion engine, the motorable road and, even more so, the Chinese occupation of Tibet and the subsequent closure of the border. With the announcement of the Kosi-Lhasa-Rajmarg, this position will undergo another decisive shift and the ambivalence expressed in all my conversations with people living in the area anticipates these approaching transitions.

This understanding of being "in the middle" is, however, not specific to the Yamphu Rai, but a common theme among many of the non-Hindu hill groups of Nepal. Ben Campbell discusses this issue with respect to the Tamang of Central Nepal and in his account, this specific position of economic and political marginality becomes obvious in a verse his interlocutors recite during a pilgrimage: "Neither born in Kathmandu, nor in Kyirong[42]/Born in the middle ground, weak, unclothed, and hungry" (Campbell 1997: 215). This is the position the Yamphu Rai find themselves in as well and both groups through generations of marginalisation by the Nepalese state have come to understand this 'centrality' not as an opportunity, but a severe limitation to the economical well being of their communities.

"Nothing will happen to me. What can happen?"

Ganesh runs a shop in the Gadi, the lower part of Hedangna. The main trail up the Arun valley to the Chinese border runs through this small bazaar that also houses a police station and bank office. His views are illustrative of the ambivalent feeling towards the road many people in Hedangna and Num share:

> It is our hope and thinking that the road will come quickly. The road may provide enjoyment for those who are earning a living; it may be adverse for those who are doing nothing. Just because we have the availability of a road does not mean it will provide us all the facilities. Robbers and criminals might come here as well. It may have a monetary benefit to those farmers who want to sell their vegetables in another village […] With the availability of a road, vegetables can be sent to Kathmandu and Kathmandu's goods can be made available to the local people here (Interview 24).

Our conversation took place in late October 2010, when at the same time the local women's group held a meeting on a porch nearby. After they had completed their agenda they agreed to talk with Chun Bahadur and me about the Arun-3 project and the road. Immediately, a lively discussion commenced, with twenty-eight women commenting on our questions simultaneously in Nepali and Yamphu. There, the vast differences in perceptions and expectations among them became apparent. When I asked which changes would occur once the road would reach Hedangna, three different answers were provided on the spot:

> A: If there is movement of vehicles then there are many facilities. We can move goods from here to there and brings goods to the village.
> B: I rather walk.
> C: They provide us with a road but sweep us away from here (Interview 25).

This last comment touched upon the big insecurity about questions of land compensation and what would

[42] Kyirong (Gyirong) is a region in southern Tibet.

happen to those families who will lose most or all of their land due to the road construction. Whereas there are clear provisions for land compensation, people were often not aware of them or, given their relatives' experiences with the state in Num, highly suspicious about the state's willingness or capacity to provide them with proper compensation, whether monetary or land for land compensation, a model the women clearly favoured.

In January 2011, I was on my way from Khandbari back to the upper Arun valley and decided to walk all the way to Hedangna. My plan was to talk with the people along the part of the road that had already been constructed and ask about the changes that actually had occurred. Chun Bahadur was on leave from his current job and incidentally in Khandbari as well. When I told him about my plan, he decided to accompany me. Our first conversations we had in Pangma, just one hour above the district headquarter, where Charlotte Hardman (2000) had done the fieldwork for her brilliant ethnography on the self among the Lohorung Rai. Three women aged twenty to fifty told us that the road was very beneficial for the people in the village. Now they were able to sell vegetables and fruits much easier and many families had intensified their cultivation of mandarins and oranges due to the increased connectivity. When I asked them about the downsides of the road they could only name one: the dust. But further up the ridge we heard different opinions. Beyond Chiplegaon, we met Bishnu who was less thrilled. When I asked him, what changes the road had brought, he answered:

> Bishnu: What changes can it bring? They told us that Arun-3 would come. We are collecting toll for the road. Apart from collecting money, I don't see any other benefit. […]
> I: So, this road has brought no other changes?
> Bishnu: I don't know. Well, it has made travelling easier.
> I: There are no other changes?
> Bishnu: No. The most important thing is that we do not have water here. We have a small river where we get water but that is also drying up. […]
> I: When this road was built, did it take your land?
> Bishnu: Not mine but my wife's elder brother's land had to be taken. They had given him the land compensation […].
> Chun Bahadur: When did your wife's elder brother receive the money?
> Bishnu: I think it was after the survey of the road. Everyone has received money here. Some spent it fast, others paid off their loan. The land was sold cheaply (Interview 26).

Later on, in Botebas, we met another peasant couple just next to the road and the following conversation ensued:

> I: What benefit has the road given to you?
> Indra: I don't see any benefit; we earn from our farm and eat.
> CB: The road has brought no changes, no benefit?
> Chameli: No benefit. The cars go up to the village and it's difficult for us to catch them. […] They hardly stop at our place and the road has taken away our land.

> I: They took your land?
> Indra: Yes, the land over there and the land above. We haven't received any benefits.
> CB: They have taken your land without land compensation?
> Indra: We took the money years ago. We received land compensation for one piece of land, but we haven't received anything for two more spots [that we lost] (Interview 27).

When we reached the crest at Chainkutti, we decided to leave the road and therefore the direct route towards Num and Hedangna. Instead, we walked down to the powerhouse site at Ghorepani in Diding VDC and from their followed the course of the Arun up to Hedangna via Seduwa. After passing a group of people working on the planned road to the powerhouse on the way down to the river, we met Richin as he was sitting on a bench next to his house. Chun Bahadur asked him if he had received land compensation and he replied:

> Richin: I have already spent it.
> I: Do you think the road will come?
> Richin: Sometimes it feels like the road will be made; sometimes it feels like it will not. It has just been a topic of constant arguments. I heard it will arrive by December, where is it? It has been so long.
> I: If the road comes, will it bring advantages or disadvantages for you?
> Richin: Nothing will happen to me. What can happen (Interview 28)?

Adopting the practice of my interlocutors, I used the word *aunu* when I spoke about the completion of the road. Āunu most literally means 'to come, to reach, to arrive' hence my persistent reference to the road's 'arrival' throughout the chapter. Yet the verb is also used in a number of other meanings, one of them to express notions of progress. It has therefore a close connection to development and the concept of *bikas* that I will discuss in the next chapter.

After the funeral

As I have indicated at the outset of this chapter, the first walk I ever took in Hedangna was a funeral procession. In the morning after the teenage boy had passed away, the mourners met at the house of his family and from there the funeral procession left for the upper of the two cremation grounds of the village, as was decided by the *pelengi*, a group of elder laymen after verifying the position of the star *shukra* [N] (i.e. Venus). It is important to note, though, that the Yamphu Rai burry their dead in the overwhelming majority of cases, as do most other Rai groups.[43] Only if a person dies due to falling from a height, the

[43] There are several small groups of thatched stone graves on unproductive, steep patches of land on the outskirts of Hedangna.

corpse will be cremated. The pelengi scattered rice and coins on the way of the procession and were busy building the funeral pyre when I arrived at the spot. While the family of the boy and the men of the village were squatting around the pyre, the village's women occupied a small terrace some fifty meters away. Then the body was put on the pyre; a coin was placed on the boy's forehead and a chunk of ghee in his mouth. This was lit by one of the pelengi before the corpse was covered with some more layers of wood. Then three male members of the boy's family lit the whole pyre.

Ill. 9: Lighting the funeral pyre, 22 November 2008.

When the pyre was ablaze, most of the mourners left for the funeral meal while Chun Bahadur and I retreated to a small pond about two hundred metres from the cremation spot. There, he introduced me to his friend Ichchha, a high school teacher. When I asked him about his opinion on the Arun-3 project and the road, I was surprised that he drew no connection between the death of the boy and the lack of a road (Interview 29). As it was my first day in Hedangna, I was reluctant to press on the subject, but it became apparent in the following days that none of my interlocutors made this link: while one of the most important arguments for the road was the easier access to health care, the tragedy that had just happened in front of the whole village seemed totally disconnected from this question. Of course, I have no idea whether the boy could have been saved through immediate transport to the hospital. The thing that struck

me was the lack of a connection between the demand for a road and the misfortunes that happen due to its lack.

Conclusion

These comments again show how deeply ambivalent people in the upper Arun valley feel about the proposed road. They bemoan the fact that it has been delayed for twenty years and hope for a boost to the local economy once it will finally be constructed. These high hopes articulate their strong belief in the promise of development. Yet, at the same time, people often point to the fact that the road will lead to more social polarisation. As Ganesh expressed it: "This might cause enjoyment to some people and agony to others" (Interview 24). According to him, those already well-off will benefit a lot from the increased connectivity while less affluent households along the route will most probably have to cope with the twofold burden of losing land (they may or may not have been compensated for twenty years ago) and changing economic circumstances. With trucks plying the new road it will be much more difficult for them to obtain day labour as porters. Others doubt the transformative power of the road altogether – and interestingly enough not only those still unconnected but also some of those I met right next to it. As I have argued throughout this chapter, people living in the villages around the dam site adopt an ambivalent position towards the road. Very much in line with Masquelier's work on Niger, I believe that the proposed Kosi-Lhasa-Highway "in its multiple and contradictory manifestations aptly condenses the mysteries and paradoxes of this postcolonial epoch" for the Yamphu Rai who, "despite their manifold connections to industrial metropoli, have yet to benefit from the development they were once promised" (Masquelier 2002: 834). Furthermore, the journeys of their ritual experts are proof of the long history of connectivity between the Gangetic Plains and Tibet through the Arun valley, but at the same time express the Yamphu Rai's feeling of deep marginality about their position 'in the middle.' With the construction of a road link between India and China through their villages, this position will undergo severe changes in the coming years. Once completed, the road will definitely enable the state to faster and more direct interventions in an area where its claims to sovereignty have been chronically fragile. Yet Harvey's call for a topological approach to roads as complicated spaces that to some extent evade the intention of relating spaces through fixed connections has a lot to offer in the case of the emerging Kosi-Lhasa-Rajmarg as well.

6 A stolen statue and a missing hose

Narratives on the cancellation of the Arun-3 and the futility of development in the upper Arun Valley

Something from below

We met her on our way down from Bakle. Chun Bahadur had been keen to introduce me to his relatives in this hamlet about an hour above Hedangna who took care of his family's livestock in the alpine pastures during summer. Unfortunately, she never told us her name. I would assume she was in her late forties, a tall and beautiful woman with proud eyes, a loud voice and a throaty laugh. Chun Bahadur and I had sat down on a small rock next to the foot path connecting Bakle with Hedangna to fix ourselves a portion of *surti* (chewing tobacco [N]), when we heard the voices of a woman and a man approaching us talking animatedly. They greeted casually and told us they were on their way to cut fodder for their livestock. I asked them to sit down for a couple of minutes and talk about the dam project, the road, and development in general. He declined by stating that he was not interested in these topics, had no time anyway and continued further uphill. Still, he stayed within earshot, disappeared into the bushes and started to cut branches. She, however, said she had a couple of minutes and sat down with us, shouting after him to wait just a little bit. Every once in a while he would call on her, pressing to continue further uphill. I asked her whether she had heard about Arun-3. She affirmed and told us: "They say that the benefit from Arun-3 is that something will come out from below, in Phyaksinda [the dam site]. They also mentioned that this area and that area would be dammed."

> I: The river will be dammed, so what will be the result?
> She: They will generate electricity. No, that's not it. They will block this area and export the water to another country. This is what I have heard. Is it true?
> Chun Bahadur: No, this is not true. What else have you heard?
> She: I have heard that they will block the water flow of the river. Where will Arun-3 lead the river? I heard that it would go to some [foreign] country. We are not educated; we don't have enough brainpower so we don't focus that much on the information (Interview 30).

This conversation is paradigmatic for many encounters I had with people in the hamlets around the dam site. Not only for the evident lack of information about the project, but also for putting the blame about this on themselves: as if someone had told her the whole thing but she had just been too ignorant to understand. At times I had the impression that the closer to Phyaksinda I got, the lower the level of information about the project was. Before I arrived in the upper Arun valley, I had assumed that because

of the long history of deferral and insecurity about the project, affected people would at least be aware of its basic technical features – the opposite was true. The villages were full of rumours about the history and the future of Arun-3. Inevitably, these narratives were engaged in discussions of the potentialities and futilities of *bikas* [N] – the Nepali word for development and progress.

This chapter will discuss how people in the upper Arun valley have been coping with twenty-five years of uncertainty about Arun-3. It will present a plurality of voices and positions on what the invisible dam means to the people who have been living with/out it for all these years. Often, these positions shifted even during one conversation, showing again – as in the case of the road – how ambivalent these meanings can be: in many cases our dialogues circled around a desire for development and the simultaneous claim of the futility of this desire. My interlocutors conceptualise the resulting non-development as backwardness and in a parallel move blame both themselves and mysterious outsiders, who come to the Arun to extract local resources, for it. Throughout the chapter, I will relate their narratives to a number of mythological tropes, from the establishment of the first Yamphu Rai settlement in Hedangna, through the tales of the Yeti that for decades attracted numerous Western expeditions to the upper Arun valley, to the mythology of national development introduced to the area by the Nepalese state in the last fifth of the 20th century. My main argument will be that any imagination of development is dependent on a simultaneous imagination of backwardness without which it cannot function, in the same way as modernity "as a structure requires an other, an alter, a native—indeed, an alter-native" (Trouillot 2002: 224). Development and backwardness are therefore constantly reproducing each other. This, I will try to show, stands also behind the paradoxical situation that whereas I as a frequent visitor to the upper Arun valley from 2008 to 2011 had the feeling of rapid rural transition and a downright economic boom in the area, many of my interlocutors would state categorically throughout my stays: *yaha bikas chhaina* [N] – there is no development here. Through a discussion of the recent rise in cardamom production, I will show how severely the local economy has changed and a process of social polarization is increasing previous inequalities between households.

"Nothing will be provided to us."

To open these ambivalent narratives on development, let me return to the woman we met in the forest. After we had established that the main purpose for damming the river was to produce electricity, I asked her whether she thought that the electricity generated would benefit the local people. She answered:

> I don't know. […] They say bridges will be made, cars will be brought. I don't know how much of that is true…They also say it will be taken abroad…They mentioned electricity will

> be generated, roads will be built. What I have heard that in those days they have taken out a gold statue. […]
> I: What of gold?
> She: A statue of gold. Actually, I heard that the statue is made half of gold and half of diamonds. Even before, the Arun-3 people lied to the locals saying that they will generate electricity. But once they dug out the items, why would they generate electricity? They left the village in a mess without completing their project…I doubt that they will provide us with electricity. Now that everything has been closed, nothing will be provided to us. They have found resources, why would they generate electricity (Interview 30)?

At this point I had already met several people telling me very similar stories to explain why a group of foreign engineers had come to their villages in 1989 and started drilling holes in the mountain on three locations. They told me that they were only pretending to do test excavations for a tunnelling system connected to a hydropower dam. In fact they had come with the intention to steal precious things that were hidden underground. Once I had heard that a golden calf was found, another source claimed it was a golden rooster, on a third occasion somebody mentioned precious stones. From the first time I had learned about this theory, I found it to be a very intriguing way of making sense of why the dam never materialised. And I found it even more exciting in light of the reinvention of the project as an export-oriented scheme in which most of the electricity generated would in fact be "taken abroad." I was extremely curious how it had come into being, but when I asked a couple of friends my age, nobody could help me any further. They had all heard the story before but tried to convince me that this was just the opinion of a small minority of uneducated old people who would believe (literally) such cock-and-bull stories.

Some weeks later I was at Num bazar, the main market in the upper Arun valley. There, I met Shyam who told me that he had been working on the drilling machines during the text excavations. When I asked him about the story of the stolen treasures, he confirmed that he had heard about it as well. But he did not believe it was true – "and if there was any [treasures], they probably hid it and took it away." Another men his age, while overhearing our conversation, was less sure and stated: "We cannot say whether there were any or not. We have not seen it so we are not exactly sure if there were any" (Interview 31). What they knew for a fact, though, was that the foreigners took a lot of stones away by helicopter. Shyam's younger cousin, a teacher, on the other hand was laughing about the theory and argued: "It is said that there is no gold on the summit of Mount Makalu. Why would there be gold here" (ibid)?

Akhil, an Indian engineer employed by SJVN, the company that is behind the re-invention of the dam, reacted similarly. When I brought up the theory during a conversation with him at the project office in Khandbari as an example of local mistrust towards outsiders promising development that never materialises, my counterpart replied matter-of-factly: "We have inspected the area and we have not found

anything" (Interview 32) He, however, did not let on whether he had heard about the rumours beforehand. Edmund, my dialogue partner from the Inspection Panel, on the other hand, made more sense of the story:

> When the World Bank decided not to approve the financing for the project, of course that [the land along the road alignments] was worthless again. And you can see how people come up with explanations like you are describing. It seems so illogical to them what happens to them. These foreigners coming in and then kind of manipulating them into, you know, making and losing money, buying land, losing land and all this. They're all waiting for a windfall and they really believe, you know, that…they believe in things like the lottery, they believe in golden calves [laughing], precious jewels and whatever it is and…they had enough bad experiences over the years to be paranoid about outsiders - which I fully understand…it's a great story, though (Interview 16).

This narrative of stolen treasures stands in stark contrast to numerous ethnographic accounts from Melanesia on so-called cargo cults where mysterious foreigners actually bring mystical wealth – the cargo – instead of taking it away as in my example. Ton Otto explains those movements as emanation of the social changes initiated by colonialism. The sudden influx of Western valuables in societies that were based on gift exchange, personal prestige and a strong sense of gerontocracy led to considerable tensions, as it was mostly young men who could acquire the cargo by working on trading ships or plantations. On the other hand, he argues, the fact that white people exchanged commodities with Melanesians but denied to enter into social relations and share their knowledge of how they gained their wealth, "offended Melanesian notions of morality" (Otto 2009: 91). Therefore, a common theme in many of these movements was the conviction that once this knowledge had been found, the ancestors would bring unlimited prosperity. Against that idea of a wealthy future stands my interlocutors' perception of a wealth that was always already there, but now no longer is. What both accounts share, however, is a strong sentiment of denied co-operation, powerlessness and exploitation. Otto's citation (ibid) of a Papuan: "White people do not help the black man. They found the way, but hide it from us" resembles the disappointed comments about those foreigners who never accomplished what they had promised I heard countless times.

"Something that is hidden"

By mere accident, I brought up this narrative during a meeting at the office of *The Mountain Institute* (TMI) in Kathmandu. This NGO was instrumental in the establishment of the Makalu-Barun National Park and Conservation Area in the Mid-1990s. After a long conversation with two staff members about the National Park and its entanglement with the hydropower project, we ended up talking about my

experiences during fieldwork. Both of them had been working in the Arun valley for decades and when I told them about the stolen treasures, on of them, Lhakpa, immediately connected my story with a similar incident that is said to have happened at the confluence of the Barun and the Arun rivers where the annual Barun *mela* (fair [N]) is held: "There is a story that foreigners have found gold and diamonds. It's been said that some people saw foreigners taking the gold. Now these people are very old. I don't know the full story, I have only heard of it. But there are eyewitnesses" (Interview 33).
I asked him whether he knew anything about folk stories on golden calves or anything similar and he affirmed:

> In our language we call it 'ter' […] If there is something that is hidden it is said that it will bring luck and the farm will flourish. So, as that has been stolen and has been taken abroad it is said that people have become poor. If we still had it people would say we would be in a better condition. I know people who have seen it being taken away. […] It is also said that the foreigners took stuff from the Barun River. […] At night those items would shine (ibid).

At this point, his colleague Paul jumped in and asked Lhakpa whether he was taking about "Guru Rimpoche's things[44]" when he used the term *ter* [T]. As Karma confirmed, Paul offered an explanation of the concept for someone like me unversed in Buddhist theology:

> Guru Rimpoche/Padmasambhava […] has chosen a number of valleys throughout the Himalaya - *beyüls* - where he has hidden the teaching so that in the age of *samsara* when all the world is evil and full of sickness and suffering, there will be places where he can go to restore the dharma and bring it back and […] within the beyüls there are the places where these treasures are hidden. And the treasures are called ter. […] Their whole area is considered to be a sacred valley and there were ters hidden there and the foreigners came and took some of the ters and since that time that's caused the area to be subject to problems like too much rain and poverty (ibid).

Among the Yamphu, I never heard anybody refer to a concept like ter. But for them, the fertility of the soil and the amount of rice they can harvest is inseparably connected with the idea of *charawa* [Y], "the essence of grain.[45]" This essence is emanating from two glacial lakes at Popti La, a pass at the Tibetan border. When they came down from Tibet, Minaba and Sepa, the two mythological brothers who first settled Hedangna and Seduwa, threw a wooden bowl and a walking stick into these lakes and pledged that they would settle down where the two items would reappear. This, the Yamphu say, is how they chose their current territory and to this day, they are convinced that the charawa of their rice is directly

[44] At this point, our conversation was constantly switching back and forth between Nepali and English.

[45] The equivalent for charawa in Nepali is *shaha* (Holmberg 1989).

connected to the water level of the two glacial lakes. Should they ever dry out, there would be no charawa left. The rice harvest would be finished very quickly and the wellbeing of the whole village would be at stake.[46] Ann Armbrecht Forbes (1995: 71, fn 105) reports a story from Uling that gives a different explanation for the hardships of contemporary life from Paul's account and already point us to the ambivalence in the question of who is to blame for it that will run through this chapter: in this account, it was not foreigners who stole the hidden treasures in the ground but the Yamphu themselves who diminished the charawa: In the old days there was so much rice that people could not even cut it all. When they asked the snake (*nag* [N]) what to do about it, it told them to go to the centre of their fields and blow a whistle. After that their charawa was lost and since that time they have to ask *Matlung Thuba* [Y], their most powerful ancestor, for it.

These conceptions of treasures underground, their far-reaching relationships and their importance to the well being of the people living from this land might be one explanation why people suspect foreigners of knowing about them as well and use their power and technology to extract them. On the other hand, this way of framing the story might tell more about me and a certain "obsession with coherence[47]" than about the narrative itself. As Lhakpa's account shows it seems likely that another incident of mineral extraction had indeed happened further up the valley several decades beforehand. And as my further conversation with him and Paul would reveal, this was only one in a long succession of such encounters.

Searching for the Yeti

During this discussion I realised that the reason for the organisation's long-standing connection to the upper Arun valley was a rather unexpected one: it was directly connected to the search for the yeti.[48] As any cursory look at the literature concerning the so-called 'abominable snowman' shows (e.g. Messner 2000, Panday 1994, Bord 1984), in the 1950s, the upper Arun valley was selected as the most promising area for this endeavour. For the next thirty years, it remained one of the centres of one of the most intriguing entanglements between Western science and Eastern mythology. Paul told me that Daniel Taylor-Ide, the founder of The Mountain Institute, had been obsessed with finding this mythic creature and as "everybody said that if there were a Yeti it would be in Arun, because that's the only kind of proper

[46] Kathryn March (1977) reports a similar connection between a Sherpa village's livelihood and a glacial lake.

[47] I owe this formulation to Nikola Bagic.

[48] Only later I found this quote: "The Mountain Institute (TMI) has deep roots in the Himalaya. It grew from an expedition in search of the yeti into a project for conservation of 2,330 square miles in north eastern Nepal" (The Mountain Institute 2011: 3).

habitat...and Eric Shipton saw those famous bear footprints in the snow […] in the Barun glacier, so in the Makalu-Barun area[49]" (Interview 33). It took me a while to understand the importance of this information for our case at hand. My argument here is that the Rai communities of the upper Arun valley got to know white men in a way that was very different from the Sherpa of the Khumbu region further to the west: After the successful ascent of Mount Makalu in 1955 (Franco 1957), by far less mountaineers trekked up the Arun than the Dudh Kosi towards Mount Everest, Lhotse and Cho Oyo (Ortner 1999). Instead, the Arun valley proved to be highly interesting for biologists who were drawn to the area by its extremely high biodiversity and their perception of the valley's remoteness. But they came only second: The first foreigners to actually engage with the people in the Rai villages were adventurers and cryptozoologists searching for the yeti. So, from the very beginning, this relationship was characterised by two peculiarities: The Westerners were actively engaged in finding prove for a mysterious being similar to many other creatures in folk belief around the world. But instead of shrugging off the yeti as yet another form of 'primitive superstition,' these biologists actively participated in the reproduction and transformation of this Himalayan myth that led to its incorporation into global pop culture. In other words: these encounters showed the Rai that these strange *kuire*[50] (westerners [N]), despite all their idiosyncrasies, believed as well in the mythical wealth of the upper Arun valley – even if the Rai themselves seemed not to have been particularly interested in the yeti.

Secondly, these expeditions established the potentially extractive character of any relation between the upper Arun valley and foreigners. Through them, the villagers came to know foreigners as people who would leave their families for months to roam through the forests, mountain pastures and even the glacial moraines of their valley in search of peculiar specimens. While not a single yeti was ever captured, a great plenty of samplings was collected and taken away. In combination with the long-standing conceptualisation of the forest as an area of spiritual and nutritional abundance, it is not surprising that the Rai communities over the years became suspicious about the foreigners' intentions.

As early as 1956 the first white explorer, Peter Byrne, arrived in the area to track down the abominable snowman. This was only one year after Nepal had officially opened its borders to foreigners. Before that very small numbers of mountaineers, diplomats and adventurers had been admitted to enter the country. According to Ephrosine Daniggelis's (1997: 114) interlocutors from Yangden and Gongtala, Byrne was

[49] In fact, the famous 1951 finding of yeti footprints by Sen Tensing, Michael Ward and Eric Shipton happened beneath the Menlung La, a pass connecting Rolwaling with Khumbu, about 50 km west of the Barun glacier (Shipton 1952: 54). In a recent paper Michael Ward (1997: 32) argues that the footprints probably came from a "local inhabitant with cold-tolerant feet and possibly some congenital or acquired abnormality or foot infection."

[50] The term kuire is mildly pejorative, stems from *kuiro* (fog, blue haze) and is a reference to the unusual blue and grey eyes of many white people.

the first white person any villager had ever seen.[51] The next year he returned together with Tom Slick, an eccentric Texan oil magnate and cryptozoologist,[52] and explored the Apsuwa Khola for five weeks, a side valley of the Arun halfway between the dam site and the powerhouse site. He was convinced that the entity known by local villagers as *ban jhakri* (forest shaman [N]) was in fact the yeti. As this creature likes to eat frogs, Byrne paid villagers two Indian rupees for each frog caught – a small fortune at the time. This search for the yeti among the Rai is even more surprising as neither my own fieldwork nor that of others (Gaenszle 2007, 2000, Hardman 2000, Rutgers 1998, Daniggelis 1997, Armbrecht 1995, Allen 1976) shows any importance of this creature among these groups.[53]

Asked as to why he had chosen the Arun valley for his yeti hunt, Byrne answered that it was mostly due to "stories of the yeti of eastern Nepal being much larger than those elsewhere in the country" (Coleman 1989: 61).[54] With the Slick-Byrne expedition, the Arun valley was established in the imagination of Western biologists as something similar to the Tibetan imagination of the *beyül* – here as well it was a mystical valley full of hidden treasures waiting to be found. Numerous expeditions followed, some exclusively focusing on the yeti, others with a broader scope. Probably the most comprehensive and ambitious among them was the Arun Valley Wildlife Expedition in 1972-73. Fourteen primary scientists and more than forty different assistants were involved in this mission that lasted for fifteen months, funded through the Bangkok-based *Association for the Conservation of Wildlife*. In his account of it, Edward Cronin (1979: 84) sums up the attraction of the area as follows: "It is an exotic land typified by such plants as the rhododendron or animals like the red panda. Inaccessible by even Asian standards, it contains what is probably the least known wildlife in the world." But, according to his report, this unique ecosystem was

[51] Judging from the map in Franco 1957, the Yamphu Rai of Hedangna must have seen Westerners in 1954, during the French Makalu Renaissance Expedition.

[52] According to Loren Coleman (1989: 54-55) it was Tenzing Norgay Sherpa, one of the two first climbers of Mount Everest, who brought them into contact.

[53] Nicolas Allen gives this observation a most unexpected twist when he speculates that the origin of the yeti narratives among the Sherpa might have actually been their encounter with indigenous groups who "from the point of view of the Sherpa of that time, were so primitive and alien to be excluded from the category of the completely human" (Allen 1976: 165). To support his suspicion he refers to the remarkably human attributes ascribed to the yeti "such as stealing Sherpa cattle and women, being afraid of malaria, and attempting to imitate Sherpa agricultural practices" (ibid). As ungrounded as this suspicion may sound, it would mean that it were the ancestors of the Rai who inspired the Sherpas' stories of the yeti.

[54] The underlying argument for this persistent choice of the middle altitudes for the yeti hunt is summarized by Cronin (1979: 165): "My experience in the Himalayas suggests to me that a yeti-Gigantopitecus [assuming the yeti to be a hominid] would not inhabit the snowlands. It would favor the dense vegetation of the steep valleys in the middle-altitude zone. The yeti is encountered in the snows, because, like the mountaineers who discover its tracks, it uses the snowy passes as routes from one valley to the next."

in severe danger, as can be seen from this quote: "Thus, the middle-elevation forests constitute a narrow belt of superb wildlife, beautiful and rare, wedged between the devastation of the lowlands and the fragility of the highlands" (ibid: 101). Again, yeti tracks were found and "their close resemblance to Shipton's prints were unmistakable" (ibid: 167).

Growing up in India, Daniel Taylor-Ide was fascinated by this "quest" from early on and became himself one of the adventurers roaming the Himalayas in search of the mythical snowman and later wrote his own book about it (Taylor-Ide 1995). As Paul remembers, it was

> [i]n the course of those explorations [that] he realised that this is a very important bio-diversity site and that there was some threats from poaching and from over-harvesting of medicinal plants and things like that. But there was lot of potential, because there is no population […]. As the dam was being considered, this very rich area would be impacted, people started to make the connection between the dam and the potential impacts on the very high biodiversity (Interview 33).

The Makalu-Barun National Park

With this longstanding interest of biologists and conservationists in the area and the hydropower project taking shape in the late 1980s, the plan for the creation of a protected area emerged as well. Binod was one of the Nepalese biologists involved in these efforts from the outset. In his recollection

> we were actually looking into the prospects of conserving the things that might be impacted by this dam. But we were looking more from the positive side, in the sense that if we conserve the watershed of Arun […] we are looking at the prospects of conserving nature for the benefits of the water shed, for the benefit of the dam (Interview 5).

This very utilitarian line of argumentation to undergird the necessity of a protected area is clearly identifiable in the conservation project's management plan as well (Shrestha et al. 1990: 22-23).

As with the emerging environmental and social safeguarding mechanisms of the World Bank that were invented alongside the preparation of Arun-3 (see Chapter 4), the project of the Makalu-Barun Conservation Area proved to be a precedence for a new approach to nature conservation: it was an attempt to establish a protected area "for the first time in Nepal and much of the world, in collaboration with its local residents (pop. 35,000)" (The Mountain Institute 2011: 3). This in fact represented a huge difference from previous projects for nature conservation, most notoriously the Chitwan National Park where dozens of villages were forcefully displaced since 1964. There, the last resettlement program was carried out between 1995 and 2004, as Joanne McLean and Steffen Straede (2003: 511) argue due to "outdated management decisions that have not been reappraised for decades." Narayan Dhakal, Kristen Nelson and

David Smith (2011) point out that this program was mainly driven by the villagers themselves. However, their key motives to relocate (man-eating tigers and ever-increasing floods) do not seem particularly self-paced.

As far as Daniel Taylor-Ide and his allies were concerned, such mistakes should not be made in the case of the Makalu-Barun conservation project, instead a new framework of ecological governmentality took shape in these years, as Paul pointed out to me:

> Putting it back in sort of historical perspective, that was about the time of the Rio environmental conference, so the setting up of the GEF, the Global Environment Facility. GEF is one of those hybrid organisations that has money from World Bank, UN Development Program and UN Environment Programme. So Makalu-Barun was in the very first batch of GEF projects. […] Then we formed this task force [that] was a mixture of Nepali scientists and foreign scientist and they studied there for two years doing...extensive consultation with the local community, extensive biological inventories...and sociological inventories[55] (Interview 32).

So from the outset, both the participation of Nepalese scientists as well as the local people figured prominently on the agenda and as Binod confirmed there was considerable lobbying for the project from the ranks of the Royal Nepal Academy as well. The paradigmatic shift that accompanied the implementation of this project and the seriousness of the commitment to a totally new understanding of engaging local communities may be indicated by a new approach towards park implementation and management: TMI demanded that neither the Royal Nepalese Army nor the King Mahendra Trust for Nature Conservation (now National Trust for Nature Conservation) would by involved. Thereby, they did not accept the previously established terms of reference for both national parks (implemented by the Army) and conservation areas (run by the Trust). Instead, the structure was something new: A national park with a conservation area as buffer zone that should be run and implemented through the Department of National Parks and Wildlife Conservation.[56] This demand seems even bolder when we consider that the Trust at time was busy conducting a large-scale thirteen-volumes report titled "Environmental Management and Sustainable Development in the Arun Basin" as part of the environmental and social reviews of Arun-3 (KMTNC 1991). Let me quote Paul again:

> Originally, at the very beginning of the national park, it wasn't conceived as a national park at all, it was conceived as completely a conservation area. But...at that time the King Mahendra Trust was just beginning to be operational and starting to work on the Annapurna

[55] For a detailed discussion of the Global Environment Facility see Young 2002.

[56] The Conservation Area was officially integrated as a buffer zone into the National Park in 1999 (Jha 2003: 41).

> Conservation Area. And that...at the time...this is legend, I don't know if it's true or not […], Daniel [Taylor-Ide] had dinner with the King, and […] said: '[…] I want your approval to create a new conservation area.' And he [King Birendra] said: 'That's a great idea and we'll just let the King Mahendra Trust manage it.' And so Daniel immediately said: 'Well, we want it to be a national park and conservation area, so therefore we can't give it to the King Mahendra Trust to manage' (Interview 32).

It may seem surprising, but Taylor-Ide was successful with all these demands. Paul, in line with several other interlocutors in Kathmandu, confirmed that the decisive reason for this was his intimate acquaintance with King Birendra: they knew each other from Harvard.

The National Park now: Participation in action?

In 1992, the national park was formally established, with the buffer zone extending to the east until the Arun, incorporating Hedangna as well as the western bank of the proposed Arun-3 dam site. Nearly twenty years later, my fieldwork suggests that the park today plays no important role in the everyday lives of the peasants of Hedangna – except for the oft-heard complaint that hunting has become nearly impossible these days. Given the numerous accounts of the negative effects of conservation projects on indigenous communities all over the world, one could assume that this was actually a huge success. The Mountain Institute (2011) points to impressive achievements in community building, forest resource protection and farming methods for which I lack any basis of comparison. To be sure, the park has created a number of jobs for local people as rangers and administrative staff.

But the fact that the misgivings about decreased access to pastures and forest resources (Armbrecht Forbes 1995: 309-310) have been mitigated by an approach that for the most part stays true to its proclaimed attempt to consider local development and nature conservation as equally important for a successful community based national park, should not obscure the fact that one main positive effect did not materialise for the people of Hedangna: income generated through eco-tourism. To my knowledge there is not a single tourist bed in Pathibhara VDC. Since the second French Makalu expedition (leading to the first successful ascent) in 1955 practically all mountaineers and trekkers heading up to the base camp at the head of the Barun valley take the route via Seduwa and Tashigaon. And due to the compared remoteness of the Makalu-Barun area compared to other trekking destinations in Nepal, even these villages do not attract a lot of tourists. Of those who do come, the majority is taking part in expedition-styled group treks complete with porters, tents and kitchen staff organised by trekking agencies in Kathmandu where most of the profits of these treks remain. Only a very small number of individual trekkers find their way up to the Barun valley. Therefore there are only a handful of lodges in Num, Seduwa and Tashigaon. But as

evidence from other trekking areas in the country shows, it is predominantly individual trekking tourists that have a significant economic effect on village communities as a whole. Even in Seduwa, many people are unhappy with the state of tourism, as became apparent in a recent discussion with Ben Campbell (2013). He told me that several years ago he had a conversation with the VDC chairman who was complaining about tourists flying into the Barun valley by helicopter thereby belying the promises of a steady income through trekking.

To find out more about the conditions in the Barun valley and to finally get more than a glimpse of Makalu, I decided to trek up to the Base camp in October 2010 together with three friends. The idea was to do a lodge trek, without carrying food or tents and even with the help of local friends in Khandbari, it took us a day to confirm that this was actually possible. During our trek it turned out that members of two extended Sherpa families ran all lodges in the Barun valley from Tashigaon. These impressions are very much in line with the findings Jai Mehta and Stephen Kellert (1998) present while discussing the participatory approach of the Makalu-Barun project. Their main conclusion is that the majority of their respondents were generally positive about the national park and the educational and training activities that were at the centre of TMI's efforts in the region. What people considered as much more important components of local development, the parks however had so far not delivered: a boost to local economy through significant growth in tourist arrivals and better infrastructure.

Development and its Discontents

This is still the case: The overwhelming majority of the people I talked to in the upper Arun valley see the main task of development in improving infrastructure: "development's main pillars are electricity and transportation" (Interview 34) as Raj put it, a teacher from Uwa. After that most of my interlocutors mention the word *suvidha* [N] that can be translated as facilities or convenience:

> If development is in place, there will be a road here that will bring facilities to the local people. If electricity is made available to us, we will be able to live in the light, watch TV, and use the computer. Whatever it is, if development occurs it will be good (Interview 35)

as Parbati stated. When we met, the young woman had recently opened a tailor shop.

Not surprisingly, I did not meet a single person in the Arun valley who was against development and many of the people I interviewed insisted that development is something they desperately long for. On the other hand, very few of them believed in a straightforward path toward obtaining these conveniences and to many the Arun-3 project was not likely to lead to a better or easier life for them. Take for example Parbati. As most of the young people I met she thinks that the hydropower dam should be constructed for

the sake of national development, but personally she does not expect an electrification of her village:

> The project is about generating electricity, but we don't know when we will receive it. It has been mentioned that the electricity will be directly sent to India. If it goes to India, then we will have darkness below the electricity production site (ibid).

Adding to that, many people express the fear that better connectivity will lead to an erosion of local culture through the growing Indian influence and another form of theft: an increase in organized crime. In Parbati's words:

> There are people who are afraid that robbers will come after the development of a road in this area. If the Arun-3 is implemented then there will be 16,000 to 17,000 people working in this area, so there are high chances of being robbers among them […] What I have heard is that we need to learn Hindi. […] Our local people don't even know how to speak Nepali, how can they know Hindi? If we forcefully learn their language, then our traditional language and culture will start to disappear (ibid).

This opinion is widespread despite the fact that seasonal work migration to India has been an integral part of the local economy for generations. Therefore, inhabitants of the upper Arun valley seem to know much more about the adjacent North Indian states (West Bengal, Bihar and Assam) than about Kathmandu. Their reservations concerning the re-invention of the dam project under Indian aegis is different from the nationalist anti-Indian prejudice I often encountered when I discussed these issues with water activists and hydropower experts in the capital (see Chapter 6), but again a manifestation of the strong belief that outsiders – be they Europeans, Nepalese elites, or an Indian company – are not to be trusted as they always in the end take advantage of the credulity of the local population without delivering a graspable benefit for their livelihoods.

Another reoccurring concern connected to the influx of a large number of construction workers from outside was the safety of women, the threat of the onset of sex work in the villages around the workers' camps and the spread of sexually transmitted diseases. Some of the elder men I talked to about their memories of the test drillings in 1989/90 remembered that about a dozen girls "were taken away" by Nepalese construction workers (Interview 36). Generally, men were much more anxious about these issues whereas especially younger women seemed to understand this emerging change as a possibility for different ways of doing gender. Finally, many people were worried about the river and whether there would be any water left after the dam had been constructed and the water would be diverted. This was less connected to ecological concerns, but due to the high spiritual importance of the Arun for the Yamphu and members of other Rai subgroups. People often referred to it as the precondition for all life and told me that *Yiwa* lives in the Arun, a powerful ancestral entity that is often called upon for a puja when embarking on a journey.

The Desire for development

Despite these misgivings, many people I met around the dam site still believe in the possibility of development through the hydro project. Take for example my conversation with Angrita and Norbu, a few hours before the meeting with the nameless woman in the forest. They live in Bakle, a hamlet of about fifteen houses one hour above Hedangna. Most of the families are Sherpa and keep considerably more livestock than the Yamphu, as the altitude of their village is too high for the cultivation of rice. It was late October, so most of the maize and millet was already harvested, leaving the fields barren, unlike the lush paddy terraces of Num on the other side of the valley. When I asked the middle-aged couple about their opinion on the dam, Norbu answered:

> For the sake of development we desire the Arun-3 project. The most important thing is the desire. Our desire is that when Arun-3 comes, transportation will also be made available and this will develop our village. If Arun-3 is developed quickly, in the future, with transportation, a market will be available for people to buy and sell their goods. We will also obtain employment. […] There have been many discussions that many people's land will be drowned, but I don't think that will happen. The lower areas will drown a little. So, we are very eager for the project to start. What needs to be done after Arun-3 is that electricity should be provided to us. These are my desires (Interview 37).

In the course of our conversation, I asked them what electricity was in their understanding. Unlike Parbati who, in the above-quoted conversation, immediately jumped from light to watching TV and computers, for Angrita the main benefit of electricity was still its most obvious: "Light," she answered matter-of-factly, "electricity means light." Norbu further elaborated:

> There is a big difference between light and darkness. At night we have to either light a candle or a lighter to go out, with electricity it would be easier to go out at night, and at least we would not bump into anything while going to the toilet. With electricity we will receive many benefits and the house will be bright when we return home (ibid).

On the pediment of their house I had spotted a small solar panel. With the influx of affordable and portable Chinese panels and a successful government program subsidising rural households for installing solar-powered battery systems, these panels are now widespread among middle and higher income families in the area. In consideration of Norbu's last statement, I was curious to know whether they still thought they would need grid electricity now that they had their own supply to fuel a light bulb or two in the evening. "Yes, we do," Angrita answered. "From my understanding, solar doesn't last a long time. If you charge a mobile, the battery will go down quickly. We will not be able to use the light if the mobile is charged. Also, if there is no sunshine for seven days, we will not receive light for seven days" (ibid). I will return to the topic of electrification as a process of connection-making later.

What I found surprising about this interview was Angrita's and Norbu's steadfast belief in the possibility of development and their acknowledgment of the progress that had been achieved in the previous years. More often when I discussed issues of development with people living around the dam site, they expressed a deep disappointment concerning the promises of development and a strong believe in the futility of any attempt to actually achieve it. Especially with the hopes for a road connection, electrification and wage labour connected to the announced hydropower project that were shattered by the sudden and mysterious cancellation of the project in 1995, many of their comments resonated the situation James Ferguson (1999) describes in his work on the decline of the Zambian copperbelt. The important difference is that his example shows a region in decline, a place that once was rapidly "catching up" with the developed countries and now no longer was while the desire for a modern life persists as the hope is belied. After decolonisation, the country had one of the fastest emerging economies in Africa with a pace of industrial growth whose social consequences reminded the missionary Sandilands in its "suddenness and ruthlessness and irresistibility" (Sandilands 1948: ix in Ferguson 1999: 2) of the German *blitzkrieg*. Nowhere was this more the case than in the mining cities on the copperbelt that provided the country with a steady income in foreign exchange. Up until the mid-1970s, it was considered a middle-income country, but the gradual decline of the world market prices for copper combined with the ensuing increase in foreign debt that brought along devastating structural adjustment measures led to an equally sudden de-industrialisation and counter-urbanisation. This, Ferguson argues, has resulted not only in a decline of the material comfort for the mineworkers and their families and a dramatic rise of malnutrition and child mortality, but beyond that in a loss of "a certain ethos of hopefulness, self-respect, and optimism" (ibid: 12). With the dream of modernity shattered, for Ferguson's interlocutors "history seems to be running in reverse" (ibid: 255): "This is modernization through the looking glass, where modernity is the object of nostalgic reverie, and 'backwardness' the anticipated (or dreaded) future" (ibid: 13). Therefore, many Zambians experienced recent history "as a process that has pushed them out of the place in the world that they once occupied" (ibid: 236).

"There have been no changes here"

In my example, people feel that they never even got along the path towards such a place. Often, they would state categorically: "there is no development here" – and there has never been any. This was also the first reflexive answer I got when I asked the women at the women's group meeting in the Gadi I mentioned in Chapter 5 what they thought development was, but immediately somebody contradicted and the following brainstorming emerged:

> Woman 1: There has been no development here.
> Woman 2: We can't say that there has been no development. It has been better than before.
> I: What is development from your point of view?
> Woman 3: It is dissemination of information. It is knowing things that we did not know. That may be it, isn't it?
> Woman 4: A [cellular radio] tower will be developed here; we will be able to talk [on the phone]. These are the development and its happiness, and we can't say it is sad.
> Woman 5: Compared to before, the valley has developed.
> Woman 6: Prior we would go to the forest to look for wood, now we are working in our farmland. That is also development.
> Woman 7: Prior we had to eat black *dhindho* [N, a porridge made out of millet or corn], now we are able to eat white rice. That is also development (Interview 25).

Right away, I was startled by the clarity of the image swathed in this last statement. Not only the transition from black to white that was reminiscent of Norbu's comment on the difference between darkness and electric light and beyond that its evocation of modernist teleology, but also the promise of social and economic upward mobility inscribed in it. Eating rice on a daily basis is considered a sign of economic prosperity in rural Nepal whereas poor people – especially those living at higher altitudes – have to rely on dhindho.[57]

When I asked the woman I mentioned at the outset of the chapter about this issue, she made it very clear what her stance was. After she had told us the story about the statue that was stolen by the foreigners our discussion turned to the alleged resumption of Arun-3 when she suddenly stood up and announced: "I'm in a rush, I will go as well" (Interview 30). I begged her to stay just a few minutes longer and asked: "In your view, what is the meaning of development?"

She answered: "Development means for example, if roads are constructed, then cars will come here. But in Hedangna there has been no development so far. If someone tries to develop this place another one will start pulling their leg."

Here, Chun Bahadur intervened and inquired: "What do you mean by that?"

> She: The other person will not allow development to happen.
> I: Do you have an example?
> She: Well, they would not let it happen and will hamper anything that has been done. Do you see any development in Hedangna so far? There have been no changes here. If they bring drinking water here, then someone else will cut the pipeline. No benefit has been provided to us (ibid).

With this explanation she was gone, following her companion who had eventually left us behind. I asked Chun Bahadur about the cut pipeline and he told me a story he said had happened a couple of years ago.

[57] Moreover, the less millet you eat the more beer you can brew from it.

Up in Bakle, he had shown me the spring that is supplying the drinking water for Hedangna. About fifteen years ago, he estimates, the spring was collected and a PVC pipe installed to divert it downhill. Now, most of the households in Hedangna have their own hose connected to the main pipeline, providing them with save drinking water right on their porches. The pipeline is installed in the ground along the direct, steep footpath we had used in the morning, but at times peeks out of the soil. One day, he told me, a man was walking down that path after a long day in his fields and because he was very thirsty, he cut the pipe with his knife to have a drink and left it this way. A short while later, another man came along the way and was delighted to see that the pipe had run dry. He was in use of a hose, so he dug out several meters, cut the pipeline again and left with that piece.

To many of my interlocutors stories like this prove the local people's backwardness and their inability to development. So, whereas the story of the stolen treasures shows the powerlessness of people towards mysterious outsiders, this narrative shows the flip side of why development was unable to arrive in the upper Arun valley: people were just too ignorant to think about the community instead of their own immediate needs. Therefore, whenever I discussed these matters with teachers or the activists of the Yamphu Kirat Samaj, they would emphasise the importance to cultivate a new sense of community and collaboration they felt was missing in their villages. But it is important to understand that in rural Nepal as in many other places in the global South there is a long and entangled history of development and backwardness – the teleological longing for development constantly reproduces the pervasive feeling of backwardness (Karp 2002).

"Some foreign country should get Nepal and develop it"

The notion of development holds a very peculiar space in Nepalese society. As Stacy Pigg (1992) has convincingly argued, the idea of the post-1960 nation-state of Nepal is inseparable from the concept of *bikas* – development. As in many other languages, development is an old concept that has taken on a distinctly new meaning with the emergence of the developmentalist state (for discussions of the Swahili term *maendelo* see Karp 2002 or Smith 2008). Bikas was already used in Sanskrit [vikāsita] meaning development or expansion. Today it is also a common male first name all over South Asia. Bikas operates as a strong marker of difference that separates city from village, elites from poor people and the developed countries from Nepal, thereby producing a multi-fold social map that essentializes the countryside as a place bound in tradition and ignorance.

Pigg shows how that topos is reproduced in schoolbooks and local discourse, a technique of power that is clearly at work in the Arun Valley as well. Many people define their everyday lives as a situation of lack,

asking me: "Why are you coming here? We have no road, no electricity, no running water," and often very outspokenly frame the current situation of Nepal in clearly evolutionist terms, stating that "we are 500 years behind Europe" or even "we are in the Stone Age" (Interview 38) reminiscent of what Akhil Gupta has termed 'the post-colonial condition' for rural Northern India. He identifies this attitude as "a pervasive feeling of being underdeveloped, of being behind the West, articulated with other identities of caste, class, region, gender, and sexuality" (Gupta 1998: ix) that is „constitutive of 'local' lives and 'local' systems of meaning" (ibid: 6). There are even people bemoaning the fact that Nepal was never colonised – one teenager from Hedangna told me that "some foreign country should get Nepal and develop it. Not India, we don't like the Indians, but maybe the UK" (Interview 39), reminding me of Joan Robinson's (Edwards 1999: 12) remark that the only thing worse than being exploited by capitalism is not being exploited by it.

Two Brothers

But there is more to the story of the stolen hose than its close entanglement with the nationalist production of development and backwardness. Another layer is added when we consider the central position of theft, cunning and deceit in Yamphu history and mythology. As soon as the two brothers Minaba and Sepa decide to settle the ridges that are present-day Hedangna and Seduwa, the competition for the best arable land starts and a pattern emerges that runs through all the stories I heard about them: Whereas Sepa is sincere, diligent and plays by the rules, Minaba is smart, cunning and always in search for his own advantage. I heard several versions of this story during my fieldwork, but let me here quote Ann Armbrecht Forbes' (1995: 238-239) account:

> There was plenty of land, but there were two of them, and each went off through the jungle to claim his land. Sepa is said to have used a durable hard wood to stake the borders of his claim. Though strong, this wood looks freshly cut for some time after it has been felled. Minaba, on the other hand, is said to have used wood which isn't nearly so durable but which dries quickly, turning black and old even if it was only cut yesterday. He put his stakes next to those pounded in by Sepa.
> After marking their boundaries, the brothers met up at the Uling Pokhari (lake) at the top of the ridge. They sat down to eat a snack. Minaba had brought along pounded rice; Sepa had roasted corn flour. Sepa put a handful of dry flour into his mouth. Just then Minaba asked, 'Where is the land you have selected?' Unable to speak, his mouth stuffed with flour, Sepa waved his hand across the land and grunted. Minaba was unable to understand his brother's gesture or his grunt. As he was eating only pounded rice, Minaba was able to speak clearly. 'I want this land,' he said, and pointed to the gentle slope on the eastern side of the ridge, to the land of what is now Hedangna. Sepa protested that he had already claimed that land, and that he had put up posts to mark the borders. 'So have I,' Minaba asserted. They went off to look at the evidence. On arriving at the posts, placed side by side, one old and dry, the other new and white, Minaba said, 'See, my posts are older, they were placed here before yours.

> This land is mine.' Though the Sepa brother had placed his posts first, there was no way he could dispute Minaba's claim, and so he set off to settle in the west where the land is steeper, drier, and rockier.

Hedangna is known all over the upper Arun valley for two things: its extraordinarily fertile paddy land and the ferocious disputes its inhabitants used to have over it. Just north of the village, on a gentle slope facing east, the biggest continuous stretch of rice terraces in the region is situated. Until the cadastral survey in 1994, all of this land was kipat, meaning it officially belonged to the community of kipat holders, i.e. the decedents of the first settlers of the area (Sepa and Minaba) who started cultivating the land and building the terraces generations ago – the Yamphu. Contrary to all other forms of land title in Nepal, individual claims to kipat lands were never written down – at least not in anything resembling an authoritative land register. Instead, the ownership of a particular terrace had to be constantly re-enacted and in the case of disputed claims, normally the party won the dispute that was able to present the more persuasive case for their entitlement. Armbrecht Forbes (ibid: 239) mentions several strategies that have been employed in recent disputes: "stones and ridges are renamed, documents created and alliances forged with land, money, and marriage, all in the effort to spin the most compelling tale and to convince others to support your version."

As is indicated in the story of Minaba and Sepa, these disputes occurred mostly between brothers and cousins. Traditionally, kipat land was divided between a group of brothers after the death of their father and each one had to guard his land as the apple of his eye against encroachment by his closest kin. Only half-jokingly, Chun Bahadur once told me that when he was a boy all his male adult relatives slept with their thumbs in their fists and their fists in their armpits so that no one could steal their fingerprint and forge land documents. After the cadastral survey of 1994 the kipat system was abolished and all the land previously held through this system was integrated into the national land register and is now privately held. With official land titles and the legalistic security that accompanies them, the continuous reproduction of claims over land through performative practices has receded and a fundamentally altered form of ownership has emerged.

Cardamom – Change that does occur

However, there is another factor that substantially diminished the importance of paddy land: the introduction of cardamom cultivation to the area about twenty years ago. This highly lucrative perennial spice plant finds perfect conditions in the middle altitudes of the Arun valley around the proposed dam site: a long, extremely wet monsoon, mild winters and lots of forest cover. A small group of innovative

peasants brought it to the Arun valley from the Limbu areas further east and it took only one decade until most of the households with access to suitable land had started to cultivate it. Now, for the first time, peasants can produce a cash crop locally they can sell to an international market and earn more money with it than with work migration abroad through manpower agencies. After saffron and vanilla, cardamom is the third most expensive spice in the world. Added to that is the fact that cardamom is an "extremely high-value, high return, low-volume and non-perishable crop – the last two being of great advantage in remote parts of Nepal where transportation is limited" (Fitzpatrick 2011: 145).

Due to this sudden change in local economy, the Yamphu villages have experienced an unprecedented economic boom. This is further accentuated by an incredible rise in prices in the last years due to dramatic crop failure in the more established cardamom areas further east where a pest has been destroying an ever-increasing part of the harvest every year. Whereas Ian Fitzpatrick (2011: 146) reports prices of 200 to 300 Nepalese rupees per kilo for Taplejung district, during the harvest of 2011, prices in Khandbari were approaching 1,000 NPR. Only twenty years ago, this was completely different. Several of my friends from Hedangna in their thirties confirmed that when they were children, the rice harvest in most of the families would only last for six to eight months, so their fathers had to leave the village in winter to earn money to get their families through the year. Most of the men one generation older told me stories about their work migration to India, often involving picking tea in Darjeeling and working in construction in Bihar and Assam.

As cardamom can only grow under the shade of thick forest cover, a total shift in the valuation of land has taken place: now the access to forested land decides over a household's prosperity. Land suitable for cardamom production in the Yamphu villages falls broadly under three categories: community forest, privately held forest and abandoned dry terraces (*bāri* [N]). As the first category is under the authority of the Makalu-Barun National Park and cardamom cultivation generally prohibited, there is hardly any production there, according to my interlocutors. While encroachment on these forests for firewood, timber and non-timber forest products is very common and national park enforcement of regulations in the area has been unsystematic since its inception (Armbrecht Forbes 1995: 318-319), the fact that seedlings have to be bought and cherished leaves anybody daring to set up their illegalised plantation in community forest with a high financial risk.

Therefore, the overwhelming majority of plantations are set up in the other two categories. Although cardamom has led to a considerable economic boom in the whole region, this sudden wealth is distributed highly unevenly in the Yamphu villages as in the adjacent communities. Unsurprisingly, it is the more affluent households who have better access to both private forest and abandoned dry terraces. Given the centrality of kipat until 1994 and the history of the Yamphu as first settlers of the area, all the privately

held forest land above the villages is in fact kipat land that had been cleared for rotational planting of millet and corn several generations ago. Apparently, households with enough permanent (i.e. terraced) fields to sustain themselves later stopped clearing these plots every couple of years and let the forest regrow. Thereby, they also secured a private supply of forest products very close to their homes whereas poorer families who had to rely on these plots for food production had to take on much longer walks to retrieve firewood, medicinal plants and timber.

Ill. 10: During a break in the cardamom plantation, 27 October 2010.

Something very similar happened in the 1980s and 1990s with the higher altitude dry terraces that again had been used to grow millet and corn. With the growing availability of money through increased work migration, the richer households equipped with more land stopped this cultivation pattern. In the case of Ala and Uling a particularly big stretch of dry terraces above the village was abandoned. People told me that it became too arduous to continue tilling these terraces more than an hour uphill from the villages for the small harvest that could be made. It took the forest only a few years to reclaim them. By now, an area of several hectares has been turned into a more or less continuous cardamom plantation. These 'terrace plantations' offer very favourable harvesting conditions compared to cardamom planted in forest that had not been previously terraced, as I can tell from own experience.

The time for harvesting starts soon after the end of the rainy season, before the rice harvest. In late October and early November Ala, Uling and (though to a lesser extent) Hedangna suddenly seem deserted with the bigger part of the adult population moving to the plantations – or as people say: 'in the cardamom' (*alainchimaa* [N]) where the harvested seed capsules are directly smoked over open fire on large, roofed racks. During harvest time, one household member is at the plantation at all times, guarding the fire as well as the harvested and the unharvested produce. Friends and relatives visit each other at their temporary shelters and the forest is full of laughter, singing and whistling.

As mentioned, this new cash crop has for the first time enabled peasants to earn money without physically leaving their villages and many young men have to reconsider their plans for work migration to the Gulf countries or Malaysia because now staying at home seems to be the more profitable alternative. On the other hand, the mushrooming of cardamom plantations in the Arun valley has led to new forms of regional work migration. By now, many of the households with large cardamom plantations in the area, especially in the village of Hatiya two days north of Hedangna, grow much more than they could harvest themselves and therefore rely heavily on day labourers. Most of them are men from the poorer Rai villages in the side valleys that so far have not taken up the new crop themselves.

To sum up, the introduction of cardamom in the upper Arun valley has been the most important intervention for socio-economic change in decades: the unprecedented influx of money, the establishment of regional work migration patterns and the emerging transition of peasants engaged in subsistence farming into cardamom farmers producing for export. This hints at the biggest change that is already graspable in narratives on local middlemen who have accumulated fabulous fortunes in only a few years and less fortunate others who lost years of savings in one bad cardamom deal: a vastly increased social stratification and economic polarisation between those who have the resources to participate in this boom and those who do not. With Ian Fitzpatrick (2011) we can understand this change in the mode of production of a set of already better off households as a process of rural class formation.

Ann Armbrecht Forbes' (1995) ethnography of land disputes among the Yamphu shows a remarkably high level of economic homogeneity within the group. While the kipat system required men to constantly reproduce their claims over land performatively and often involved cunning practices that turned brothers into enemies, it on the other hand also constituted a system of fine checks and balances that made it difficult for richer families to institutionalise their hegemonic position through watertight land titles over generations. This is not to say that inherited inequality was not a topic in Yamphu history (and of course one has immediately to add marginalised non-kipatiya, i.e. dalit households), but the combined effect of the establishment of an individualised, non-performative system of land ownership and the introduction of a highly lucrative cash crop has led to a completely new way of doing agriculture, business and society.

This process, however, is only in the making and hints to a future development similar to what Ian Fitzpartrick (2011) describes for a Limbu village in Taplejung district further east where cardamom was already introduced in the 1960s. His ethnography shows how specific families were able to become so wealthy that they could afford to buy land in the lowlands and establish a kind of "satellite village" there while others have not benefitted considerably from this new source of income.

The question of modern life

As already discussed, even with these changed economic circumstances, many of my interlocutors still hold on to the opinion that development is not happening in the upper Arun valley. This also became apparent when the conversation turned to the question of what qualities a modern life would characterise. In Num, I asked Mandira about her opinion on this issue, while she and her sisters were preparing to attend a night market in a hamlet nearby. As many other people, the young tailor answered this question categorically with: "I don't know anything about modern life" (Interview 40). From those who had an idea what that could mean I got a whole lot of intriguing glimpses: Mandira's younger sister answered with "enough clothes and food – and education" (ibid). Others mentioned better health care, telecommunication and sanitation, a road, cars and mobility in general, changing agricultural techniques and new crops, most importantly cardamom, new ways of dressing and hair styling, less fighting and drinking and a lot of suvidha – facilities like television, cinema and computers. One teacher from Hedangna brought up gender equality while his colleague stated: "modern life is a relative concept, it always depends on the national context. Often it means an excessive investment in shopping" (Interview 41). Ajib, another teacher I met in Khandbari, had a similar understanding: "In modern life, everybody wants luxury, people want to live a standard life, they want quick earnings, no matter whether they are legal or illegal. People want to migrate to the city; everybody wants every sort of comfort – a hi-fi life" (Interview 42). A lot of my male interlocutors talked about business opportunities, like Durga who said that a modern life would mean that it would become easier to get a cheaper price, buy wholesale and sell agricultural products to the market (Interview 43).

When I asked people whether they felt that they themselves were leading a modern life, a lot of different opinions were expressed as well – but except for Mandira's sister nobody answered in the affirmative. Her confident "Yes, sewing is modern life" was, however, followed by a fit of laughter in which the three women around her joined in. After some instances she contradicted: "No, actually it is not" (Interview 40). Hem Kumar was of the same opinion but more specific in defining his life as non-modern through a list of things he lacked: "We have no computers, no phone, no road, no electricity, no vehicle, no hospital, no

police. This is a traditional life. In modern life all these things are available locally" (Interview 44). Bilsimaia, again, answered: "We are hard working, going to the forest, carrying firewood, growing jams - what do I know about these things" (Interview 45)? Others were less categorical in their self-assessment and acknowledged that things had been changing. Take for example Ram Bahadur who said: "Now my life is much more modern than when I was young. Then I only used to wear shorts, now I have trousers" (Interview 46). Sher Bahadur replied: "a little bit, because my children are going to school, unlike me. And the clothing and food have changed, too" (Interview 47).

To many of my better-educated dialogue partners, the question was not solely related to the access to modern infrastructure and amenities, but even more strongly connected to individual processes of changing to a different kind of subjectivity. When I asked Rudip, the teacher who identified bikas as a relational concept whether he would lead a modern life, his answer emphasised how difficult and arduous this process can be and showed a certain inescapability from this work:

> I don't think so, but we have to change with the time. But it's very hard to move with the time. If I go to Kathmandu or Biratnagar, if I don't change, I will lose a lot of opportunities. But I don't think I have to take drugs and so on. But with my clothing and working style I have to be up-to-date in my personality (Interview 41).

Sahlins's Develop-man

What to make of all these different, often contradicting accounts? A helpful proposition to understand these intertwined conditions and how they change the way the people I talked to perceive themselves is put forward by Marshall Sahlins. His work on the develop-man (2000, 2005) aims to provide us with a way to conceptualise indigenous ways of coming to terms with capitalism and catches the double-sidedness of development as both the accumulation of newly introduced consumer items and the re-formation of individuals into a different kind of persons:

> 'Develop-man' is the neo-Melanesian term for 'development,' but it would not be wrong to re-pidginise it back to English as 'the development of man', since the project to which it refers is the use of foreign wealth in the expansion of feasting, politicking, subsidising kinship and other activities that make up the local conception of a human existence (Sahlins 2000: 48).

His material from the Pacific shows that kings and chiefs very soon developed clear and selective tastes for the specific Western things they wanted and how they could use them to strengthen their claims to power: "not just any old beads and baubles, such as European folklore then and now supposed were 'good enough to please the savage'" (Sahlins 2005: 28). On the contrary, the European traders had to comply with the

demands of their trading partners and the items desired by them – like Hudson Bay blankets in Northwest America or sperm whale teeth in Fiji – were sought after for their abilities to reproduce indigenous societies, often as powerful tokens in already established gift economies. From a Non-Western point of view, then, Sahlins argues that develop-man is "the enrichment of their own ideas of what mankind is all about" (ibid: 24). He contrasts this active engagement of Pacific elites in the colonial trade regime that span the whole ocean and provided e.g. Hawaiian nobilities with the finest Chinese silk and English broadcloths with later emerging notions of modernist development when this selective approach to Western things changed to an eclectic one. More importantly, however, he identifies the decisive role humiliation plays in this shift from develop-man to development: "To modernize, the people must first learn to hate what they already have, what they have always considered their well-being" (ibid: 38). Development thereby becomes something other.

In the case of the upper Arun valley, a very similar process is behind the way people perceive their lack of development. Although by now the discourse on bikas is on everybody's lips, there is reason to suggest that this is a rather recent phenomenon. When I was discussing the issue with Klaus Seeland who conducted fieldwork in the area in 1978/79, he remembered that in those days nobody was invoking the concept (Seeland 2011). Hence, his accounts of local economy (Seeland 1980a, 1980b) represent early example of a post-development approach: Because all items of everyday use could be produced from the overabundance of locally available bamboo species, he argues, there was simply no use for the introduction of modern consumer goods made out of plastic that would replace sustainable, locally produced objects and spoil the pristine landscape. To be sure, the narratives of high levels of food insecurity and the long history of labour migration to compensate for insufficient rice harvest I collected during my fieldwork render this account of self-sufficiency highly unrealistic. But the lack of a local discourse on bikas backs Stacy Pigg's argument that state interventions played a decisive role in implementing the imaginary of backwardness in places like the upper Arun valley. Many of my interlocutors were convinced that they could measure the underdevelopment of their villages in temporal terms, defining the distance to the West somewhere between 100 and 500 years. This strong imaginary of backwardness leads people to categorically deny the development of their villages although my discussion of cardamom farming shows that it is actually happening with increasing speed.

Conclusion

From the perspective of what bikas has promised and failed to deliver, however, this feeling seems completely understandable: the ease of life and increased connectivity. The previous chapter focused on

the most important intervention in this respect, the promise of a road – and the denial of this promise with the cancellation of the dam. But a connection is more than a mere convenience: it is also a proof of inclusion into the networks of a modern nation state, a promise of participation in the mechanisms of this state, even if this is for the most part confined to being managed as a population and not connected to a participation in civil society, as I have argued in Chapter 3. This seems especially relevant when we consider the long history of marginalisation that indigenous communities in rural Nepal have experienced. As became evident in the conversation with Angrita and Norbu I mentioned earlier, despite the introduction of affordable solar panels, the couple still insists on the connection of their household to the national electricity grid. Their main reason is the pragmatic argument that their system is too weak to provide them with light and charge their mobile phone simultaneously. But people in rural Nepal are fully aware of the long hours of load shedding in the national grid and the example of Khandbari shows that a connection to it can actually decrease the power supply in a given community: until 2011, the town's households experienced practically uninterrupted electricity services, provided by an isolated micro-hydro power plant. Now, with the newly established connection to the grid, people experience the long hours of rolling blackouts like all other consumers. Ironically, this new connection actively leads to an evacuation of electricity and leaves them with less power than in their previous – unconnected – state.

This is only one more example of the contradictory narratives on development and backwardness I encountered in the villages of the upper Arun valley. While many of my interlocutors were deeply disappointed about the progress of their living standard and seemed convinced that development will never arrive in their villages, I had a completely different perception. Every time I returned, economic development seemed to have accelerated: cardamom production had increased, more families had changed their thatched roofs to corrugated iron or installed solar panels and even a boarding school had opened in Hedangna that taught in English.

The other paradox about the ways people tell stories on development is connected to the question of who is to blame for its non-arrival. Whether it was outsiders trying to appropriate the natural and spiritual resources of the region or its inhabitants themselves, was often changing in a matter of minutes. This is why I kept on referring time and again to the conversation with the woman Chun Bahadur and I met in the forest. While it started with her claim that these cunning foreigners found something precious in the ground they took away with them, leaving "the village in a mess," she then impetuously switched to the story of the two peasants – like the two brothers Sepa and Minaba one simple-minded, the other cunning – and their combined efforts to disconnect the village's water supply (Interview 30).

By focusing on these two narratives, this chapter is an attempt to discuss the ways people in the villages around the dam site have come to terms with the uncertainty concerning the dam non/construction and

the apparent impossibility of development. At the outset, I argued that the story of the stolen statue could be explained through the widespread notions of a spiritual substance that is residing in the ground and maintaining the fertility of the land and therefore the survival of the people who live off it. To understand how the foreign engineers who did exploratory drillings for the hydropower project in 1989 became accused of stealing this substance, I referred to the specific way the communities in the area came to know white men: the first had arrived in the mid-1950s in search of the yeti and were soon followed by more conventional biologists who trekked up the Arun for its famed biodiversity. Their interest in the natural treasures of the area confirmed local people's understanding of the hidden wealth and the foreigners' practice of collecting specimens to be taken abroad established their extractive concupiscence early on. These encounters, combined with the invention of Arun-3, were instrumental in the establishment of the Makalu-Barun National Park, the first large-scale development intervention in the area. As in countless other examples (and despite its participatory approach that was indeed on the forefront of a more inclusive implantation process, not only in Nepal) communities felt the national park as an intrusion into their rights over forests and pastures while the promise of a growing number of trekking tourists visiting their villages turned out to become true only for a tiny fraction – and even there the numbers are much lower than expected.

Through a discussion of what constitutes a modern life and the recent economic boom, finally, I arrived at Sahlins's understanding of development as a process of humiliation. I argued with Stacy Pigg that in Nepal the two seemingly opposing imaginations of development and backwardness constantly reproduce each other and that it is mainly the government who taught its own rural citizens that they were backward – in order to develop them. This, I believe, is the reason why people despite the tremendous economic boom thanks to cardamom so often insist that there is no development in the area.

7 The next attempt

The reincarnation of the Arun-3 hydropower project

When I was led into his office, Akhil greeted me with exquisite politeness, as his two predecessors had done on my previous visits to Satluj Jal Vidyut Nigam Limited's Arun-3 Hydropower Project Office. Despite my unannounced appearance, he immediately put aside what he was working on and asked me whether I would like some tea. The office was situated on the first floor of an inconspicuous building in the bazaar of Khandbari, the main town of Nepal's Sankhuwasabha district. It was a sedate afternoon in January 2011 and millet was spread out to dry in the sun on a bamboo matt in front of the house. Downstairs, in the Public Information Centre, I had run into Sanjay, an Indian engineer approximately my age I knew from an encounter in the jungle above Ghorepani some weeks before. At this small strip of land next to the river in Diding VDC the powerhouse for the hydropower plant is supposed to be constructed. At the office, we started talking about his impressions from the trip up the valley and he told me that the biggest problem for his interaction with the people around the powerhouse construction site had been their lack of information. When I asked him if SJVN was going to change that once the Indian company would obtain an official agreement to construct the power plant from the government of Nepal, he said: "Actually I'm not the right person to comment on that. I will ask you to meet our head of office…I will take you to him" (Interview 48).

Leaving Akhil's office one hour later, my initial question was still unanswered. As with most other topics we discussed, his reply was very similar to the one his subordinate had given: "I am a civil engineer, I am not the right person to talk to about that" (Interview 49). But even without giving clear answers, he was eager to discuss all my questions while we had several cups of tea and what felt like two pounds of mandarins. In the previous months, I had closely interacted with water activists and hydropower experts in Kathmandu as well as the activists from the Yamphu Kirat Samaj (YKS), an NGO representing the interests of the Yamphu Rai. During these conversations, a number of critical points about the recent reinvention of the dam had been raised. Confronted with these, Akhil went at great length to convince me of the mutual benefit of the current situation for both countries and the affected population. He referred to SJVN's corporate social responsibility policies and their outstanding track record concerning social and environmental measures in connection to the construction of the Nathpa Jhakri project in Himachal Pradesh. This dam is currently the hydropower scheme with the largest installed capacity in India. On several occasions, he stressed his company's commitment to developing hydropower resources not only in

India but all over the Himalaya. As a state-owned corporation, he argued, they were not exclusively focused on making profit. Instead, SJVN and its involvement in Arun-3 was also part of the Indian foreign aid strategy that would be aimed at developing South Asia as a whole. Akhil's depiction of India as a benevolent neighbour was diametrically opposed to the picture Bipin had drawn, for instance. He was one of the hydropower experts I had met in Kathmandu and he described SJVN's activities as a clearly neocolonial attempt to appropriate Nepalese water resources for electricity production while Nepalese citizens had to cope with long hours of daily outage.

This chapter will focus on the recent reinvention of Arun-3 by the Indian SJVN. It juxtaposes the narratives of the company's engineers, Kathmandu-based water activists and the indigenous activists who grew up in the villages around the dam site. To conclude, I will briefly discuss the recent re-emergence of Western NGOs in the Arun-3 arena. Looking at these four groups of actors I will argue that while the position of the engineers and the Western activists is entirely antithetical, both operate with a similar imaginary of the indigenous other: a subject that has to be taken care of, or to use Chatterjee's term again, somebody who has to be included into political society. Drawing on discussions I had with staff from SJVN I will show the close proximity of their accounts about their work with the official narrative of Indian foreign aid that is consistently downplaying its strategic interests. The engineers reframe their company's acquisition of water resources abroad as a form of contribution to their neighbour's development. I will attempt to show, however, that the reincarnated Arun-3 points towards trends on a global scale: With the growing energy demand, the emergence of a multi-polar world order and the rise of regional powers like India or Brazil, a new foreign aid paradigm is taking shape.

The water activists, on the other hand, despite their clear reservations against the recent project design, see very little room for a mobilisation among the urban middle-classes in the current 'energy crisis' that results in up to fourteen hours of rolling blackouts every day during winter. Reminiscent of their previous problems with the people in the upper Arun valley (see Chapter 3), they still abstain from forging alliances with organisations like the YKS and restrict their actions to the Supreme Court and the parliamentary system. Their opposition is informed by fifty years of water-related treaties between Nepal and India that are predominantly in favour of the latter. To make sense of this history, they claim that the political class in Nepal is too closely entangled with their Indian counterparts and the 'national interest' is sacrificed by the elites in order to maintain the benefits they receive from Indian sources.

The indigenous activists from the Yamphu Kirat Samaj, finally, are fighting a struggle of recognition on multiple levels. In principal, they are cautiously positive about the dam, but the experience that neither SJVN nor the government seems to acknowledge their demand to be included in a dialogue about the project gives rise to serious concerns about the trustworthiness of the state and the company. Moreover, in

the context of the imminent, yet still absolutely diffuse federal reform the dam project has become a site for territorial claims over the upper Arun valley – not only towards the state but in opposition to other indigenous groups as well.

Donors emerging and re-emerging

When I asked Akhil how he estimated the people's opinion about the reincarnation of the project in the villages around the dam site, he told me: "As far as we are concerned, the people we have talked to are in favour of Arun-3" (Interview 46). When I demurred that I had experienced a lot of mistrust and concerns about it as well, he reduced that to the long and controversial history of the dam: "At the time when we start the physical work, this mistrust will go away. Because they have not been able to see anything on the ground, that is why they are misunderstanding our commitment" (ibid). Throughout our conversation, he was consistently arguing for an understanding of SJVN's involvement in the project as a win-win situation: While India was receiving the bulk of the generated energy at the outset, after only 30 years, Nepal would gain control over the whole output of the plant, free of cost. By that time, SJVN would have refinanced the dam and its transfer into public ownership would be an Indian contribution to development in Nepal. And while India has been a long-standing donor of foreign aid to Nepal, recent changes to the global system of development assistance have also had its repercussions on this relationship.

In November 2012, the British Department for International Development (DFID) announced that no new financial aid grants will be made to India and that the last programs underway will be completed by 2015 (DFID India 2012). Its offices in China were already closed in 2011 while both India and China have increased their development assistance to other states in the global South manifold in recent years. Two months before DFID's statement and after nearly one year of political controversy, French President François Holland announced that his government would accept an offer by the Qatari government to invest 50 million euros to fight unemployment in neglected suburban areas that are predominantly inhabited by Muslim immigrants (Vandoorne 2012). These incidents show how profoundly the terms and conditions of foreign aid have changed in recent years: former recipients of international development cooperation have suddenly turned into donors, and vice versa while a whole set of new actors seem to have emerged on the scene. Thus, the post-World-War-II system of foreign aid that for decades has been played by the rules of the Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development (OECD) is no longer the only game in town.

As Emma Mawdsley (2012: 4-6) elaborates, a host of labels for these actors have been in use recently: new or emerging donors, non-traditional, non-Western and non-DAC donors as well as postcolonial donors.

For lack of a better term most commentators agree to subsume these actors under the umbrella term of 'emerging donors.' Thereby, they invoke the labels of emerging markets or emerging economies that have come into fashion during the 1990s with the promise of risky but potentially very lucrative investment attached to it. A look at the International Monetary Fund's (2012: 3) list of emerging economies shows that indeed almost all of the countries labelled as emerging donors are actually part of it. Generally, emerging donors are considered to consist of three subgroups of national economies: the rising global powers China, India and Brazil; regional powers like Turkey, Saudi Arabia or South Africa; and post-socialist countries like Poland and Russia.

But for a number of reasons, the term proves to be problematic. While there is no doubt that the countries subsumed under these awkward headings provide an ever increasing part of the global aid – currently about 10-12% (Mawdsley 2012: 9) – it leaves us with the assumption that these countries have only recently started to engage in foreign aid. Whereas this is true for a small number of them – like the post-socialist member states of the European Union – countries like India or China have been active as donors since the 1950s. While a small number of scholars (e.g. Bräutigam 1998; Dietz and Houtkamp 1995; Banerjee 1982) has been working on these donors for decades, Mawdsley (2012: 8-9) points to the fact that their recent 'discovery' by mainstream development studies, political science and economics is for the better part connected to a previous systematic neglect of anything that could have threatened the neat dichotomy of donors and recipients during the hey-day of developmentalism. As Vijay Prashad (2008) or Pankaj Mishra (2012) show, the projects of the Third World and the Non-Aligned Movement (NAM) were from their inception building on a strong commitment to South-South cooperation as one of its foundations. On the other hand, political leaders in the smaller postcolonial states were not blind to the strings attached to the benevolence of the big postcolonial states. Take for example Jomo Kenyatta who already touched upon this threat during a speech in 1965 when he said: "It is naïve to think that there is no danger of imperialism from the East. In world power politics, the East has as much designs upon us as the West, and would like us to serve their own interests" (Kenyatta 1968: 276).

Recently, the shifting landscape of foreign aid has gained considerable attention among anthropologists and a big number of research projects are underway at this moment (e.g. Drążkiewicz-Grodzicka 2013; Cesarino 2012; Giese and Thiel 2012; Gray 2011).

India as emerging donor?

SJVN is a Public Sector Undertaking and a joint venture of the governments of India and Himachal Pradesh. It operates the currently biggest hydropower plant in the country, the Nathpa Jhakri dam in

Himachal. With the Arun-3 project, it was the first state-owned enterprise to win a dam contract abroad on open competition basis. According to their website, twelve more projects in India and Bhutan are under way, while company representatives also mentioned negotiations for contracts as far afield as Georgia or Panama. Whereas the implementation of infrastructure development through state-owned companies is a characteristic of recent shifts in Indian foreign aid policy, the engagement with development in Nepal and South Asia as a whole has a longstanding tradition. India was one of the original signatories of the Colombo Plan in 1950, an initiative for regional cooperation. The first grant to Nepal was already given in the following year to help build Kathmandu's Tribhuvan Airport (Mawdsely 2012: 71). During the 1950s, India's contributions were only marginally lower than those from the United States (Rana 1971: 650).

This early entry into foreign aid can be explained by three main reasons: Firstly, Indian nationalists, not least Jawaharlal Nehru himself, felt a strong commitment to South-South cooperation in the wake of decolonisation while at the same time they were also convinced that India would soon catch up with the industrialised countries and claim a leading role in the postcolony. Secondly, they wanted to create support in the region, given India's difficult position between West and East Pakistan (present-day Pakistan and Bangladesh) after the partition of the British Raj in 1947. A third reason was the attempt to create strong buffer states between herself and China (Mawdsley 2012: 72-73).

Therefore, one could argue, that India is not an emerging donor at all, but became part of the foreign aid donor countries almost immediately after its own coming into being. But only recently its own status has been changing from a recipient to a donor country. As Subhash Agrawal (2007: 3) reminds us, in the mid-1980s, India was the World's largest recipient of foreign aid. Now foreign aid constitutes less than half a per cent of the gross domestic product. All that said, it is important to note that the official Indian position is to categorically avoid the term donor and to instead insist on the position that its foreign aid initiatives are to be understood as international cooperation (Mawdsley 2012: 7).

The actual amount of development assistance that India provides is difficult to estimate, however. Although Andreas Fuchs & Krishna Chaitanya Vadlamannati (2013) have recently presented an econometrical analysis of Indian foreign aid based on data from the Ministry of External Affairs (MEA) for the period 2008-2010, Agrawal (2007: 5) maintains that the official figures hide as much as they reveal, mainly for three reasons: not all foreign aid is registered under clear budget headings, often money is channelled through other institutions as well – as for example in the case of SJVN's hydropower development in Bhutan – and beyond that, India does not follow any standard definition of official development assistance (ODA). That said, the calculations by Fuchs and Vadlamannati based on the official numbers still are a useful approximation to get a broad picture:

> India's aid budget rose from 13.4 crores Indian rupees (about US$ 40.3 million in constant 2000 prices) in 1966, to 2,917.4 crores Indian rupees (US$ 362.8 million in constant 2000 prices) in 2010, which is roughly 0.04% of India's GDP. This amount, which only captures MEA aid, is comparable to Austria's total ODA (US$ 395.2 million in constant 2000 prices) (Fuchs and Vadlamannati 2013: 112).

According to them, the overwhelming majority (89.7%) of Indian aid went to its South Asian neighbours (with the notable exception of Pakistan), followed by South East Asian countries (5.5%) and 2.2% that were allocated to twenty-two countries in Sub-Saharan Africa (ibid: 114). Julie Walz and Vijaya Ramachandran (2011: 12), on the other hand, maintain that African states receive 15% of the Indian foreign aid, based on a 2008 study of the United Nations Economic and Social Council, while Hisahiro Kondoh et al. (2010: 33) end up with 4.4% of direct governmental aid to African states for the period between 2002 and 2008. They, however, point to the fact that assistance for Africa is predominantly provided through loans and lines of credit distributed via the India EXIM Bank (ibid: 31). This ambiguity concerning the statistical data available sets India clearly apart from the camp of non-emerging donors. The repeated announcement (Economist 2011; Agrawal 2007) of the plan to establish a central foreign aid agency similar to the British DFID or the United States Agency for International Development (USAID), however, points towards an approximation of Indian ODA to the aid and accountancy practices of the DAC donors.

India, the strategic non-donor

Looking more closely at where exactly India's development cooperation is aimed, we can see one main investment that exceeds all other budgetary items by far: hydropower schemes in Bhutan. Over decades, Bhutan has been the top recipient of direct government aid – combining the expenditures from 2002 through 2008 it received 50.1% of the total aid, followed by Afghanistan (10.4%), Sri Lanka (6.2%) and Nepal (5.8%) (Kondoh et al. 2010: 33). And the overwhelming majority of this money has been used to build dams that secure India's energy demand, all of which were constructed through a 60 % grant and 40% soft loan model. Bhutan currently exports almost 80% of the generated electricity to India and even of the remaining 20%, three quarters is consumed by Indian-owned industries in Southern Bhutan right next to the border (Gyawali 2010). Unlike Nepal, where the first hydropower plant was already constructed in 1911 (Khanal 2012: 21), electricity only arrived in Bhutan in the 1960s (Bisht 2012: 788). By now, the Bhutanese model of hydropower development serves as an oft-cited success story to the Nepalese public: twice as much installed capacity, over 70% of households with access to electricity (and the plan of full electrification by the end of 2013), low prices for local consumers and considerable

revenues through the export to India. To many water activists and hydropower experts in Nepal, however, this model operates as a dystopian vision for a neocolonial future of Nepal: "The export-oriented path that Bhutan has taken cannot be an option for Nepal, unless it forsakes its independent foreign and defence policies. From a political-economic perspective, the Bhutanese model is one of neocolonial resource extraction" (Gyawali 2010). Beyond these concerns about the country's sovereignty, Dipak Gyawali points to the fact that due to the character of bilateral agreements and the growing domestic demand Bhutan will experience some level of scheduled power cuts during dry season until 2016 when the new scheme Punatsangchhu-I will come online.

There is no evidence that Bhutan's government is trying to reduce its dependence on India. Quite to the contrary, with the signing of the India-Bhutan Friendship Treaty in 2007 and a joint press statement in 2009, the Indian government confirmed its commitment "to buy 10,000 MW of electricity from Bhutan by the year 2020. According to Bhutan's Tenth Five Year Plan, the hydropower sector is expected to contribute 50 per cent of the GDP and 75 per cent of the fiscal revenues by 2020" (Bisht 2012: 788). These agreements block any other foreign investors from entering the Bhutanese hydropower sector and secure India the control over a potential of 23,760 MW of installed capacity of which only five per cent have been harnessed so far (ibid). Hydropower, however, is not the only sector where strategic interests guide Indian foreign investments. Agrawal (2007: 7) points to a growing interest for equity oil in Africa and describes this topic as the focal point where India's rivalry with China becomes most evident. The recent signing of a memorandum of understanding between the government of Nepal and the Chinese Three Gorges Hydropower Corporation on the construction of the 750 MW West Seti hydropower project and the fierce political controversies in Nepal triggered by this announcement indicate that a similar conflict might start here as well.

Against these conditions and as I already mentioned, Indian official documents, bureaucrats and political actors paint a rather different picture of Indian aid. They are very keen on maintaining that their development assistance is all about South-South cooperation and mutual benefit – contrary to the intentions of other donors, as they say. In a recent newspaper article, Biswajit Dhar who is the director of the Delhi-based *Research and Information System for Developing Countries*, stated:

> Donors' clubs like the OECD have attached conditionalities to the assistance they offer. Some countries are known to use aid to further their commercial interests. Countries like India have been opposing these conditions. While the OECD countries have been talking of the effectiveness of the aid, India, for example, has stressed on development effectiveness. India has also laid stress on using local resources and local expertise like in Afghanistan... India can try and help redefine the rules governing rendering assistance (Roche 2012).

Whenever I had the opportunity to talk with staff from SJVN about the Arun-3 project, they would as well uphold the priority of good relationships with their neighbours over the sole economic viability of the projects in question. Often, they maintained that not only SJVN, as a public sector undertaking, has an ethical obligation to development in South Asia but also they themselves as civil engineers. One of them told me: "When I walk up to the dam site and see the children playing in the dirt, my eyes are filled with tears" (Interview 50). In line with leading Nepalese politicians they stress the advantage of the outsourcing of the project to SJVN. And when I doubted the purely economic intentions when an Indian state-owned company intends to construct a dam thirty kilometres south of the Chinese border in one of the few valleys that break through the Himalayan main ridge and thereby facilitate easy transit between India and Tibet, they strongly denied any geo-strategic dimension to their activities abroad.

Build Own Operate Transfer

The memorandum of understanding between the government of Nepal and SJVN from March 2008 states that the Indian company will build the power plant, the access road and the transmission line at their own account while the Nepalese government will procure the necessary land and hand it over to the company. In return,

> SJVN agrees to provide 21.9…percent of monthly generated power and energy from the Project…free of costs…GoN [Government of Nepal] agrees to grant the licenses for generation and transmission of Electricity to SJVN for the development and operation of the Project for a period of thirty years...SJVN shall...handover the ownership of the Project to the GoN, free of cost, at the end of such period" (MoWR and SJVN 2008: 3-7).

In the discursive realm of 'new public management' this ownership structure is termed as BOOT. According to Bengt Hallmans and Christer Stenberg (1999: 110), in such an arrangement

> normally an organization acts on behalf of a public entity to provide service to the customers for a specified period of time…BOOT type projects combine the design, financing, construction and operation into one undertaking as a private sector initiative. They are normally organized as a joint venture in the form of a concession company involving engineers and architects, contractors or developers…and an operator."

BOOT is one of the four basic categories of public-private-partnership (PPP) financing models. According to Jane Broadbent and Richard Laughlin (2004), the term PPP was developed in the United Kingdom and introduced in 1997 following the election of Toni Blair. The Labour government localised these arrangements in the context of their 'Third Way,' but the basic framework had already been initiated

by the Conservative government in 1992 "in response to a shortage of resources for infrastructure investment" (ibid: 6). Hans Van Ham and Joop Koppenjan (2001: 598) formally define PPP as "cooperation of some sort of durability between public and private actors in which they jointly develop products and services and share risks, costs, and resources which are connected with these products." Graeme Hodge and Carsten Greve (2010), on the other hand, claim that the definition of PPP remains cloudy and commentaries on the topic tend to be highly polarised. While its advocates see it as a new governance tool and hail it as "the main alternative to contracting out and privatization" (Hodge and Greve 2007: 545), critics understand it merely as a language game that is only used to avoid exactly these contentious terms by replacing them with the more inclusive grammar of partnership (Linder 1999). Apart from that, recent research has relativized the claim that cooperation between the public and the private sector is something new and specific to late liberal circumstances by reminding us on historical examples of partnership. Roger Wettenhall (2003: 92) mentions the fact that "163 out of 197 vessels in Drake's fleet which defeated the Spanish Armada in 1588 were privately owned, serving under contract to the Admiralty" while Gautam Pingle (2011) reports a BOOT arrangement for the water supply of Fort Saint George in Chennai between the British East India Company and a certain Captain George Baker in 1771. Speaking of this very company, one might come to the conclusion that a big part of the history of early European colonialism can in fact be read as a manifestation of early modern PPP – with authorities for the private parties that exceeded those in contemporary contracts by far.

But such a reading suffers from a severe flaw: it takes a modern understanding of the differences between corporations and states, between the private and the public in such a partnership, and imposes it on a historical condition without calling these assumptions of sovereignty into question. Against the widespread opinion that the British East India Company only became a political entity after its military victories in India in the second half of the eighteenth century, Philip Stern (2011) argues instead that the Company was a body politic from its inception in 1600. Against typical descriptions of the Company as quasi-governmental or state-like, he upholds that the Company's characteristics were not a "strange absurdity" as Adam Smith noted, but typical for its time: "an early modern world filled with a variety of corporate bodies politic and hyphenated, hybrid, overlapping, and composite forms of sovereignty" (ibid: 2).

Coming back to our case at hand, the BOOT agreement between the government of Nepal and SJVN is still awaiting final approval. In 2012, it was declared one of fourteen flagship projects that will be negotiated by the newly established Nepal Investment Board, but despite the announcement that a Project Development Agreement would be signed by Mid-July 2013, so far the negotiations have not been completed (Republica 2013a). Already the signing of the memorandum of understanding (MoWR and

SJVN 2008), however, has prompted strong opposition and legal action. Similarly to the situation in the 1990s, the fiercest critics of Arun-3's reincarnation are not found in the upper Arun valley, but in Kathmandu and abroad.

"Damn stupid!" The water activists' stance

Despite their ambivalent feelings about the dam, most of the people I talked to around the dam site see it as an opportunity for increased connectivity and economic growth, as the two previous chapters showed. Even when asked whether they approve of the fact that an Indian company will construct it, only very few expressed their objection. One of the first persons I spoke to during my first trip to the Arun valley in 2008 was Shyam, then-chairperson of the *Arun-3 Committee* in Num. I was surprised to hear that he "heartily welcomes the project" (Interview 48) without forgetting to mention negative effects that will come alongside the road and employment opportunities. And when I asked him what he felt about the involvement of the Indian SJVN, he did not seem particularly worried about that, but instead stated: "Our concern is not so much with the company as with the Nepalese government. We don't care if the company is Indian or American, we need security that the government will compensate our losses" (ibid).
Talking to hydropower experts, former bureaucrats and water activists in Kathmandu, their answers showed a completely different picture. Among them, not a single person was in favour of the current arrangement with SJVN. The thrust of their argument was that in light of the current scarcity of electricity in Nepal that leads to long daily blackouts, the award of projects like Arun-3 to foreign companies amounted to an attack on the 'national interests' of the country. Moreover, with a number of other potential schemes earmarked for similar agreements, they feared that the current political leadership was about to sell out the most promising projects. One of my interlocutors was Bipin who estimated that the output of the Arun-3 project would easily be consumed in eastern Nepal alone if developed for the domestic market. He summarised his position as follows:

> Arun-3 is for export to India, when we have an energy crisis in Nepal. So, neither am I against export per se – no, export is not forbidden – but it is damn stupid to be exporting power when you have an energy crisis in your country (Interview 52).

In line with other experts, Bipin puts the Arun-3 agreement in a long history of water related treaties between the two countries and points to the fact that these treaties tend to be much more beneficial to the Indian side than the Nepalese. The main reason for this, Bipin argues, is a specific dependency among the higher levels of Nepalese politics and bureaucracy towards India. This accusation was very common in my conversations with those working on water issues. Taking the example of the Mahakali treaty (Shrestha

and Adhikari 2009) that included plans for the Pancheshwar Multipurpose Project he elaborated on this point:

> The principal idea of this project was half water/half electricity [an equal share of both resources between Nepal and India], but if you ask the people working on it, they will tell you that from that water 93 000 hectares will be irrigated in Nepal and more than 1.6 million hectares in India. So how is that half? […] What gives me pain is...if India tells me that: Yes, [Bipin], your half is 93 000 and my half is 1.6 million I can accept that, because Indians are supposed to work for Indian interest, I'm not surprised. But what gives me pain is when Nepali people say that Pancheshwar water is half/half and they go on to say that Nepal's share is 93 000 hectares and India's is 1.6 million hectares (Interview 52).

When I asked him why these treaties often turn out not very favourably for Nepal, he replied:

> It is simple […] These are senior people, they don't have any more time left in the ministry, in the government, so they want it to be implemented fast and they can take […] their cut, their percentage, their kick-back. And some...may not even be looking for the bribe, but they are obligated because they received a favour from India, their daughter may be in Indian medical school, […] because of a favour granted by the Indian bureaucracy or the Indian government. So they feel obliged to do things in the Indian interest (ibid).

When it comes to the possibility of stopping the Arun-3 agreements, this lose network of activists, bureaucrats and consultants, however, stands pretty much out on a limb. While during the 1990s, there was a critical mass of people in the media, bureaucracy and interested public who were sympathetic towards the Anti-Arun-3 campaign, the long hours of rolling blackouts have taken their toll. Today any public mobilisation would be easily delegitimised with the argument that it is a campaign against development and for more load shedding. Given the long and conflict-laden history connecting some of the water activists in Kathmandu with the local communities in the Arun valley, they are also reluctant to start any mobilisation in the project area. "We are happy to help," one of them told me,

> if somebody approaches us and asks us to support a campaign, we are prepared to do that. But these days we don't have the capacities to start campaigning on our own. And we don't have to do that anymore; nowadays local people are well equipped to run their own campaigns (Interview 10).

Moreover, the majority of the people I made contact with are in their fifties. They do not feel like doing politics the way they did it twenty years ago. Young people interested in activist politics, however, prefer to engage in different topics these days.

Therefore, most of the activities are concentrated on legal action. When I met Bipin in December 2011, some of his colleagues had recently lost a cause before the Supreme Court against another controversial major dam project in Nepal, West Seti. At that time, WAFED had just field a case against Arun-3,

basically on the same grounds as the former appeal: In both cases the activists claimed that the tendering of the two projects to foreign companies by the Ministry of Water Resources without consent from the parliament had been unconstitutional because of paragraph 156 of the interim constitution. That provision states that the ratification of treaties related to "natural resources and the distribution of their uses" require a two-thirds majority from parliament:[58]

> In the case of West Seti, our case was stronger, because it's a reservoir project, which will generate an augmented flow during dry season. Arun-3 does not do that, unfortunately. Therefore, it is relatively weaker, but still: the principle of sharing, if you look at the constitutional provision, the wording is: 'Agreements and treaties related to natural resources and sharing in use of it.' By exporting electricity, Nepal is going to share electricity generated from using the water resource...I still believe, even in the case of Arun-3, the parliament ratification is mandatory, but we have lost in the West Seti case, so our case is a lot weaker in Arun-3... unfortunately (Interview 52).

Soon afterwards, Bipin was proven right. The Supreme Court followed the argumentation of the ministry and the NEA that frames the issue in a totally different logic that is somehow reminiscent of Marcel Duchamp's old dictum: "There is no solution because there is no problem" (Schwarz and Duchamp 2003: 265). Licensing hydropower projects to foreign companies, the bureaucrats claim, is not related to the distribution of natural resources at all. As the water itself is not altered, traded or redistributed, they argue, these contracts are only concerned with the cross-border traffic of electrons. But, as electricity is the energy that is stored in the movement of these electrons while they themselves are not depleted through the consumption of electricity, in the end no natural resources would be shared with a foreign country (Interview 52).

The government, on the other hand, argued with economic constraints that make hydropower development without foreign direct investment impossible at the moment. And after the World Bank's

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[58] "§156 provides:
(1) The ratification of, accession to, acceptance of or approval of treaties or agreements to which the State of Nepal or the Government of Nepal is to become a party shall be as determined by the law.
(2) The laws to be made pursuant to clause (1) shall, inter alia, require that the ratification of, accession to, acceptance of or approval of treaty or agreements on the following subjects be done by a two-thirds majority of the total number of members of the Legislature-Parliament existing:
(a) peace and friendship;
(b) security and strategic alliance;
(c) the boundaries of Nepal; and
(d) natural resources and the distribution of their uses.
Provided that if any treaty or agreement referred in the sub-clauses (a) and (d), is of ordinary nature which does not affect the nation extensively, seriously or in the long-term, the ratification of, accession to, acceptance of or approval of such treaty or agreement may be done at a meeting of the Legislature-Parliament by a simple majority of the members present" (UNDP Nepal 2008: 228).

exit from hydropower financing, it became indeed much more difficult for governments in the global South to conduct such projects. Above that, they claim that these agreements are actually highly favourable for the citizens of Nepal, as they will be "given" hydropower plants free of charge – only with the slight delay of thirty years. Otherwise put, they argue that one day the current suffering induced by power cuts "will have been resolved" in an undefined, but near future without the need to pay for it. This has been the position of all five cabinets since the elections for the Constituent Assembly in 2008, regardless of the parties forming the coalition.

Ill. 11: A road sign for SJVN's Arun-3 project next to the airstrip at Tumlingtar, 13 November 2010.

Taking as giving

Confronted with the accusation by the water activists that SJVN's interest in the Arun-3 project is part of a broader Indian strategy of neocolonial resource appropriation, the company's employees strongly opposed and once again stated the altruistic nature of their endeavour. But it was very difficult to discuss these issues with them because whenever I tried to problematize the political implications of their plans they would either react by declaring themselves as not authorised to talk about these issues, or by simply

claiming that these allegations would become obsolete once the engineers would be allowed to proceed with their work. In other words, they followed the old strategy of rendering political conflicts in development schemes invisible by reducing them to problems that can be solved with the right technology (Li 2007, Ferguson 1990).

Only once I managed to discompose Akhil, the engineer from SJVN, during our conversation – when I confronted him with the water activists' stance that the memorandum of understanding between his company and the government was against the national interest of Nepal. He replied:

> No, it is not against the national interest! It is very good for Nepal, too. We are giving 21.9 % of electricity free of cost to them [...] and indirect employment to the people there, we will do R&R [resettlement and rehabilitation] and environmental measures […] We have to do that for culture, uplift of living standard of the people. Business will come to the people of this area (Interview 52).

Additionally, whenever I was talking with SJVN employees about the hopes of the affected people and the activists' demands of participation and a rights-based approach, they were very keen on describing the serious commitment of their company to benefit sharing. When I confronted them with the criticism voiced by the YKS's activists that nobody from the company was talking with the affected people, they explained their scant communication with the tardiness of the government of Nepal that had thus far not provided them with the necessary legal documents to start their information campaign. "Once we have the contract," one of them told me, "our teams will go to each and every house in the project area and inform the people. We will produce video documentation of this, too" (Interview 50). But when I asked Akhil this same question, I was surprised by his direct answer that negated such an approach and stated that SJVN would outsource this 'community outreach' exercise:

> We came here only to look for the people, not engage with the locals unnecessarily, because we don't want any complication, because if we talk to them there is some misunderstanding between us and them, it will spoil all the good work again (Interview 49).

I further asked him about SJVN's opinion on the demand that the local people should become shareholders of the dam or at least that the company should provide them with free electricity. This as well was not very well received by Akhil as he replied:

> The expectation of the people is very high. The company will come and give us this, they will give us free power from the stock – how can we give them this? It is not possible. Everybody wants something from us: 'give me toilet, give me this, give me that' (ibid).

When our conversation turned to the question of compensation, Akhil reminded me that the

memorandum of understanding clearly states that it was the responsibility of the government to provide SJVN with the land they needed free of cost and that therefore the government was responsible for any land compensation. Yet, on a visit to SJVN's office in New Delhi nearly a year beforehand, one of Akhil's colleagues had told me that according to regulations by the government of India, the company was obliged to spend five per cent of the amount to be invested for the local population. In the Nathpa Jhakri project in Himachal Pradesh, he claimed they had even spent more than that (Interview 53). The company's website (SJVN 2007) shows these efforts in great detail, but I was not able to find any mention of the implementation of any form of participation in the ownership of the plant. In discussions with activists in the upper Arun valley I understood that their demand for a right to become shareholders is inextricably entangled with complex struggles of indigenous identity politics and a territorial claim over the area. I will deal with these issues in the following section.

"This is not development – this is theft!" The indigenous activists' position

Coming to the upper Arun valley, I found a thriving network of activist groups representing the different indigenous groups and a high degree of communication between different NGOs, despite highly complex processes of dissociation among the Rai subgroups. The most important NGO in the villages surrounding the dam site is the *Yamphu Kirat Samaj* (YKS) that claims to represent the Yamphu Rai politically and strives to preserve the language and culture of the group. In January 2010, I was invited to participate in the organisation's general assembly that is held in Hedangna every third year. The first day was dedicated to a ceremonial act with speeches, songs, dances and performances that took place on the football field below the secondary school. The whole program was in Nepali, except for a few chants and songs that were performed in Yamphu. Most of the speeches by Yamphu activists and politicians followed a similar pattern. After thanking the organisers for inviting the speaker they stressed the importance of Yamphu identity and the necessity to strive for recognition as a distinct caste group by a negligent state. This was often mediated through a claim on the sovereignty of the territory and resources of the upper Arun valley. At the same time many of them emphasised the absolute necessity to lead this struggle with non-violent means. And to many speakers, the Arun-3 project came as a handy example to explain to the general audience how the Yamphu and their rights over their natural resources were systematically neglected. One of them said the following:

> It seems as if the culture and values of this historical place have been neglected by our nation. And this is all too obvious for you. I feel it is important that we all protest against this and put forward our demands for the national constitution. […] You have been promised a lot but have never received your rights. Your natural resources have been given as a deposit to the

> foreigners. You have only ended up in the calendars that hang on the wall, nothing more. This is a nation of 236 *janajati*[59]. We as Yamphu need a good place in the economy as well as in politics. I would like to say that we have to raise in a right way, through a rights-based process, not war. There have been many rumours about what the Yamphu want. But the truth is that we Yamphu want our rights and we desire to help in reconstructing this nation (Speech 1).

Another speaker and representative of the UCPN (M) was less withdrawn in his statement:

> The rights of the *janajati* have always have been cut down in this Arun-3 project. Nobody is actually in touch with us. But who is this who has been cutting off our rights? There has not been any satisfactory work regarding this. If your constitution does not mention anything about our rights, if it does not help with our issues then we shall raise our voices. We will change our political party into an ethnic party! There are hundreds of issues regarding us indigenous people. If our issues are not dealt with or mentioned in the constitution, we shall rise against it. This is our warning (Speech 2).

Comparing the volume of applause different speakers received from the crowd I had the impression that inflammatory speeches with a radical touch like the latter were well received. And judging from the commentaries of some friends who were functionaries of the YKS one of the main purposes of the cultural program at the general assembly was to politicise and agitate (or "educate" as they would have it) the spectators. The speaker's blatant threat of changing the YKS's agenda from a political to an ethnic one has been brought forward by different indigenous movements since the democratic opening of the 1990s and especially since the start of the protracted peace process that followed the end of the civil war.[60]

The second day of the general assembly was dominated by the so-called closed meeting (the actual general assembly of the YKS as an association). At 7.30 pm, the agenda had finally reached the topic of the contested hydropower dam. Among fifty women and men I had been sitting for four hours in a bare classroom of the school, by that time barely lit by torchlights and mobile phones. In the chilly January evening, I envied the first speaker to enter the podium on the subject of Arun-3 for his thick down jacket. He immediately started an inflammatory speech against the project that would disempower the Yamphu, deprive them of the natural resources of their ancestral land and displace many families. At length, he quoted article 15 of the *ILO convention 169 concerning Indigenous and Tribal Peoples in Independent Countries* that proclaims: "The rights of the people concerned to the natural resources pertaining to their lands shall be specially safeguarded. These rights include the right of these peoples to participate in the

[59] janajati [N] is a relatively new term that is used to subsume all minority groups.

[60] For an extensive discussion of the rise of indigenous movements and their complex relation to the Maoists see Hangen 2010 or Lawoti and Hangen 2013.

use, management and conservation of these resources" (International Labour Organization 1989: Article 15). As he rightly reminded us, the following article states that "[w]here the relocation of these peoples is considered necessary as an exceptional measure, such relocation shall take place only with their free and informed consent" (ibid: Article 16). In his opinion, the procedure of the government and SJVN stands in direct opposition to the principle of "free, prior and informed consent" although the government of Nepal was party to the convention. Suddenly, he changed into English and shouted into the crowd (at that point, the microphone had already run out of battery): "This is not development, this is theft" (Speech 3).

Ill. 12: A group of dancers at the YKS's general assembly, 10 January 2010.

The cadres of the YKS greeted his speech with frenetic applause. In many conversations with functionaries of the association before, during and after the general assembly I heard very severe concerns about the consequences of the hydro project, the access road connected to it and the entry of modernity into the Arun valley. In their opinion the main threat to "the simple folk" was their credulity. They were convinced that once the road was built and the construction of the dam had been started, powerful actors from outside (labelled as Non-Yamphu, Indians or gangsters at different occasions) would seize the

chance to make a profit and lure local people into unfavourable contracts, making them lose house and home. Moreover, through the influx of a large number of workers from outside the valley they feared a loss of indigenous customs, a change in gender relations, the onset of sex work and a rise in sexually transmitted diseases.

This, though, does not mean that the activists of the YKS are against the project as such. And although they often complain about their difficulties to raise awareness about the possible negative consequences among their community, both activists and laypersons conceive of the dam in a similar way: they know that there is a lot at stake, but understand the project as an ambivalent issue with beneficial potential for their communities. The activists know very well how indigenous groups have suffered from the effects of dams in Nepal (e.g. Rai 2005) and abroad. Especially the example of the Narmada scheme in India serves as a powerful warning to them. Suresh, one of the leaders of the association summarised the YKS's position as follows:

> Our concern is that the government should consult us before they take any kind of decision that may affect us. […] The second concern is participation. […] Then there is benefit sharing. […] The Arun is our resource that is shaped and nurtured by the indigenous people of this region. How will the government ensure our rights over the benefits? […] For example, there is a memorandum of understanding between the Indian company and Nepal government. You can't find a word there on indigenous people (Interview 4).

As became apparent, two main claims stood behind these concerns: first the demand for recognition as a distinct indigenous nationality by the government that is accompanied by a territorial claim over the dam site and second the desire for a participatory decision-making process concerning the dam construction. The activists wanted to be recognised by the government as well as by SJVN as an equal participant in three-party negotiations, but the apparent refusal to do so by both other parties led to a growing level of frustration. This experience of disregard was only one in a variety of circumstances where Yamphu Rai witnessed continuous marginalisation and felt that the promise of *naya Nepal* [N], a new, inclusive Nepal whose citizens and institutions would seriously attempt to overcome caste discrimination, was constantly withheld from them. After a few more speeches and comments on the dam and considering the lack of knowledge about the next steps in the project implementation the majority of members shied away from releasing a public statement as the more radical wing had demanded. Instead, they decided to initiate the work on an action plan that should bring the YKS, the government and SJVN together as stakeholders in the process.

It was through practices of indigenous activism that these categories were established and fixated in an attempt to create a community with clear boundaries and allegedly common interests. To the activists, the hydropower dam served as a powerful imaginary in this process as it showed their constituency the need

for political representation. Coincidentally, it reinforced their territorial claim, not only in distinction to the state and bigger indigenous groups that might dominate a yet to be established federal state in north eastern Nepal, but also against Non-Yamphu living around the dam site. For the time being, the YKS's attempt to have Yamphu included in the list of indigenous nationalities has failed.

"Destruction at Dawn"

To complete this map of positions on the reincarnation of Arun-3, another long-known group of actors has re-entered the stage: Western indigenous rights activists. The British *Forest Peoples Programme* (FPP) has recently published a report on Arun-3 together with the *Lawyers' Association for Human Rights of Nepalese Indigenous Peoples* (LAHURNIP) (FPP and LAHURNIP 2012). Titled "Destruction at Dawn" (a bit idiosyncratically I must concede, as neither of the two terms is mentioned even a single time in the continuous text) it recounts the findings of a survey trip to some of the affected communities in the upper Arun Valley in March and April 2009. The activists' findings are by and large in line with my experiences, although their narrative focuses almost exclusively on people's concerns and their lack of information while it understates their hopes for increased connectivity and emergent opportunities once the project will be undertaken.

Their conclusion, however, fails to acknowledge the totally altered circumstances around the reincarnated Arun-3 project when it states:

> The fate of the original Arun III hydropower project provides rich lessons for any company planning to resurrect plans for hydro-electricity production in the Arun Valley. The World Bank and other funders in the 1990s confronted serious and multi-sector concerns over the project, including problems with inadequate assessment of potential social and environmental impacts and large-scale public opposition to the project. Plans by SVJN Ltd. to resurrect the dam, and indeed expand it, show little regard for the lessons learnt during this earlier attempt to dam the valley, and indeed are taking place with little public consultation or outreach at all (ibid: 44).

Apart from the fact that Chapter 4 has shown how the social and environmental impacts of this particular project were only two of many reasons why the project was cancelled, this report does not at all engage with the completely changed atmosphere in the upper Arun valley. Whereas affected people in the 1990s were not organised, by now there is a well-established network of NGOs in the area. During Arun-3 first incarnation, hardly anybody had completed secondary education whereas now many of the civil society

actors have university degrees.[61] They command a vastly enhanced understanding of the Nepalese state, access to information and networks that affected people in the 1990s could only dream of. But as I could not find a single mentioning of any interaction with local NGOs in the report, I wonder whether something else has remained the same since the 1990: The depiction of poor, rural, indigenous people as victims of development who need help from and representation by activists from Kathmandu and the West. Different as this may seem from the attitude of the Indian state and SJVN, here again we are confronted with a form of benevolence that is well-intended but prone to othering and victimising the receiving group, very similar to what Chandra Mohanty (2003: 17) has termed "the production of the 'Third World woman' as a singular, monolithic subject in some (Western) feminist texts."

A recent phone conversation with Catherine, one of the activists further underpinned this impression. In her account, the Forest Peoples Programme (FPP) was asked by the Lawyers' Association (LAHURNIP) to help them investigate how international law might be applied in the context of the Interim constitution of 2008. This is indeed the main focus of the report and done with great diligence. Therefore, Catherine argued, the question of local perceptions to development was not central to their mission as the Arun-3 project only served as the case study for this endeavour. She acknowledged that they did have neither the resources nor the time for a detailed engagement with the people they met around the powerhouse site (Interview 54). It remained unclear why the report then engages at great length with the narratives of local people without even mentioning the activist groups actively struggling for participation. After reading the report a second time, the people depicted in it remain a fragile indigenous population that has to be taken care of.

Conclusion

As I have tried to show, the idiom of benevolence is deeply inscribed in the rhetoric of the SJVN engineers as well as the official self-representation of the Indian state as development co-operator while its geo-strategic and economic interests are persistently downplayed. There is a long history to Indian foreign aid that has to be mainly understood in the context of the NAM and India's security concerns after the partition of 1947. But with the growing energy demand, the end of the Cold War and India's economic rise, a new foreign aid paradigm has taken shape. Within this new framework, the character of India's

[61] Whereas my data on ethnic activism is focused on the Yamphu Rai around the dam site, the FPP & LAHURNIP mission was centred on the area around the powerhouse that I only visited once. But I know from meetings of the Indigenous Rights Forum I attended in Khandbari that the Lohorung, Mewahang and Kulung Rai have their own NGOs similar to the YKS. All of them come together in the Forum to exchange information and plan collective action.

development assistance is becoming increasingly similar to the Western donors' aid programs of the last sixty years: a complex bundle of humanitarian, politico-economic and strategic considerations. The Indian engineers stressed especially the first of these intentions while denying that geostrategic interest might play a significant role when an Indian state-owned company plans to construct a dam in Nepal in close proximity to the Chinese border. Their frequent mentioning of their employer's commitment to benefit sharing shows how the discursive framework of green neoliberalism has by now turned into a hegemonic practice of doing hydropower. A serious participation of the affected people through giving them a share in the dam seems not very likely, however.

Especially the Indian engagement in the Bhutanese hydropower sector serves as a powerful warning to water activists in Kathmandu who see SJVN's involvement in the Arun-3 project as the prelude to an Indian 'energy grab.' They fear that their southern neighbour will attempt to bring the Nepalese water resources under her control, thereby increasing the already existing dependency manifold and cement the electricity scarcity for the foreseeable future. Their opposition is framed in strongly nationalist terms that shed a light on the highly complex relationship between the two countries that reaches back to the mid-nineteenth century. It is, however, also a further attempt of opposition against the political and bureaucratic elite they perceive as corrupt and not acting in the national interest by awarding contracts to Indian companies.

A certain degree of worry about the intentions of SJVN is a recurring topic in conversations with activists and the inhabitants of the upper Arun valley as well. But there, the question of who will construct the dam takes second place behind the question of how it will be implemented. The majority of affected people is in favour of the project and expects to benefit from the opportunities that will emerge with the road, wage labour and (maybe) electricity while they also admit that adversary effects will come along with it. The functionaries of the YKS – who often serve as local opinion leaders – stress these negative consequences in an effort to prepare their communities for the upcoming changes. At the same time, they struggle for recognition as equal partners in negotiations with both the government and SJVN and feel proven right in their longstanding mistrust towards the Nepalese state for its persistent high-caste bias. Simultaneously, the activists are involved in a struggle for the recognition of their difference from the surrounding Rai subgroups and show concern about the future of their territorial claim over the area around the dam site in the wake of a still undetermined federal reform that will most probably allocate the Arun valley to a federal province dominated by the Limbu.

With the recent appearance of a British indigenous rights NGO, a new internationalisation of the Arun-3 controversy might be on the horizon. The FPP's engagement is reminiscent of that of the international activists discussed in Chapter 3 in its attempt to appropriate a 'local' struggle without a conversation with the people on site. Therefore, its efforts run the serious risk of depicting them as passive, indigenous others who have to be taken care of by benevolent outsiders.

8 Epilogue

This thesis started with the random find of a short story atop a paper bank in Zurich in March 2011. A couple of weeks beforehand, another intriguing piece of literature found my way. It was during coffee with a friend that I learned about a poem that was 'going viral' in Kathmandu. Its title was *'bijuli malai dibhors deu'* [N] – 'Electricity, please divorce me.' In it, the poet Shyam Shrestha 'Swapnil' comes up with a very telling metaphor for the relationship between humans and electricity and the plight produced by chronic power outages. He compares electricity to a faithless spouse who is always somewhere else and has unclear relationships – probably affairs – with others. Disappointedly, the author demands the divorce papers and mentions his new love affair in closing: the more reliable candle.

> I sleep, he wakes up, I wake up, he sleeps […]
> Neither does he come when I'm not here, nor am I here, when he is
> What a hide and seek game between him and me! […]
> I invite him to my shack,
> he is in the […] *VIP area*
> What is his relationship with the inverter and the generator?
> Only yesterday he met these people in somebody's house
> While we where waiting, he appeased the thirst of their inverter […]
> While he loves the neighbour, we have to carry more load shedding on our shoulders.
> What a breach of trust!
> Now I live without him […]
> I demand the divorce papers. […]
> Now I'm I love with the candle (Shrestha 2011).

In February 2011, when this poem was being sent around in Kathmandu, its inhabitants had to endure fourteen hours of rolling blackouts every day. Due to the country's high dependency on hydropower and the low volume of Himalayan Rivers during the dry winter, January and February are the months were electricity is the scarcest. But for the last decade, even during summer the electricity produced in the country has not been sufficient for a continuous power supply – in July 2013, e.g. the daily blackout time was around five hours. The main reason for this decrease in the security of supply has been a steady annual increase in power consumption of over seven per cent while the NEA has been unable to keep up with adding new facilities to its system. For 2012, the national energy provider estimates that its supply covered around 77% of the total annual energy demand. 17.44% of the supplied electricity was imported from India while nearly four per cent of the nationally generated power was exported to the southern

neighbour[62] (Nepal Electricity Authority 2013: 8).

To cope with this situation, the NEA has divided its grid into a plethora of subsystems and categorised them into seven groups. Each group has its distinct load shedding schedule and in Kathmandu, where people rely heavily on electricity, this schedule is arguably the most important thing structuring people's days second only to the movement of the sun. Especially in connection with the chronic water shortage in the city that forces people to pump large amounts of water into rooftop tanks whenever it is available, it leads to a need of sophisticated forward planning to manage the two scarcities. People do not only have to get up in the middle of the night to turn on the water pump, they also have to plan their days and their movements around town well in advance and have to consider the different schedules of the locations they will pass through. The chronic lack of electricity has severe consequences on businesses as well. As a highly egalitarian scheme, only the most vital industries are exempt from the schedule whereas the bulk of the economy is treated like private customers. Those who can afford it (or cannot afford it to be without electricity) have to rely on battery systems (generally called inverters as you first have to invert alternating current into direct current to load a battery) or diesel generators. While the heavy use of the former increases the consumption of a given household during supply hours, the latter add considerably to the already high levels of air pollution in the valley during winter.

Thus it is hardly surprising that Shrestha's poem hit a nerve. In these few lines he manages to express how urban members of the Nepalese middle-classes perceive the electricity scarcity and addresses many of the issues and rumours connected to the problem of blackouts. He starts with the everyday experience of urban Nepalese electricity consumers: the difficulty of being at home when there is power. But already the second stanza moves to discuss deep feelings of inequality. Consecutively he suggests that VIPs get a special treatment, that the inverters of more affluent people drain the system and that electricity is given to the neighbour – i.e. India – while the Nepalese population is suffering. His consequence is a renewed love affair with candlelight, a very literal state of dis-connection many city dwellers in Nepal experience that is reminiscent of the situation in the Zambian copperbelt James Ferguson (1999) describes.

All that said and despite the poem's strong resonance with my own experiences during two winters spent in Nepal, the metaphor of the unfaithful spouse seemed strange to me. Not the idea that our relationship with electricity was as intimate as a marriage, but the allegation of untrustworthiness towards electricity made me scratch my head. It was for the simple reason that I had not experienced any other service in Nepal – be it governmental or private – that was as reliable as the load shedding schedule. One could practically set the clock according to it. When it did not perform in the predicted way and electricity was

[62] The transborder electricity market between the two countries is characterised by an extensive body of treaties that leads to complex traffic patterns.

only five minutes late, people around me became furious, but their anger showed on the other hand how reliable the schedule in 99% of the cases was.

To my friends in Kathmandu this objection seemed highly academic. For the most part of the year their daily routine is dictated by the schedule, with every change every couple of weeks they have to re-organise their days – and there is no end in sight to this situation. Although three major new hydropower plants are currently under construction, it is highly unlikely that the long hours of blackout during winter will come to an end without the commissioning of a major reservoir scheme[63]. A number of feasible sites for such a storage facility have been under consideration since the 1980s but nowhere construction has actually started. There is room to believe the suggestions that Arun-3 became such a highly interesting project for so many foreign companies because they saw it only as a first step to get a foot in the door for the construction of the fantastic 10,800 MW Karnali Chisapani storage project (Interview 1).

In these circumstances, a peculiar symbolic politics has unfolded around Arun-3 and its cancelation during the last twenty years in a country whose inhabitants have been told for all these years that water is the only natural resource that could be exploited to earn foreign exchange. 'There is no alternative to hydropower exports' has been the mantra of politicians, bureaucrats and foreign development agencies. At the same time, the fact that nearly one fifth of the electricity is actually imported from India is assiduously kept silent and many electricity consumers truly believe that together with the inefficient Nepalese state and its electricity authority India is to blame for their powerless suffering. Not surprisingly, then, an unbuilt dam serves as a great metaphor for the way development as imagination and practice fails – both for the bureaucrats and engineers who blame the current power shortage on the cancelation as well as for the former activists who still insist that the whole plan was flawed from the beginning and Nepal would be far worse off had it embarked on the Arun-3 adventure. To the general public and especially the inhabitants of the upper Arun valley it has acquired a status similar to the one of Godot in Samuel Beckett's (1954) play: practically everybody has heard about it and there is reason to believe that it will finally appear at some point but at the same time nobody knows anything specific about it. Even with the recent reincarnation of the project through the Indian SJVN and in the new disguise of Build Own Operate Transfer, the elusiveness of the project has not changed. More than five years after the memorandum of understanding, there are still no definitive agreements.

Together with thirteen more so-called National Priority Projects, the dam has been assigned to the recently established *Investment Board of Nepal*. Despite the announcements of SJVN officials that they expect to sign a project development agreement before 15 July 2013 (Republica 2013a), a recent article suggests that negotiations are still far from completed (Khadka 2013). A second announcement stems

[63] Currently, the country only has one storage facility, the 60 MW Khulekhani I project.

from the World Bank. As expected for some time, the Bank's Nepal office has now officially declared that it is planning to invest in at least one large-scale hydropower project (Republica 2013b). After nearly two decades the Bank is back in the game, finally abandoning their position that big dams in the global South do more harm to their reputation than acceptable for an institution that is under tight surveillance by transnational civil society. Thus, in 2014, the first World Bank co-founded hydropower project in South Asia since 1995 will come online, executed by SJVN (World Bank 2014a). Furthermore, the Bank is to provide funding for a small hydropower project not far from the Arun-3 dam site (World Bank 2014b). So it seems we have come full circle and 2013 feels like a remake of 1993 when Arun-3 appeared to be a done deal.

Not quite. Should the recent negotiations really succeed – and the long list of dams in Nepal that never materialised give reason to doubt it – this re-invented Arun-3 plant would be a very different incarnation altogether, for four main reasons. First, the execution of the project as a public-private-partnership within a Build-Own-Operate-Transfer framework will lead to a completely different ownership structure and to very different decision-making patterns. Despite the fact that the old Arun-3 would have indeed left the Nepalese state with a vast burden of foreign debt, once constructed the NEA would have had control over the scheme. In the present set-up, these characteristics have been reversed. So has the purpose of the structure: whereas the first design was supposed to secure the domestic electricity supply (admittedly in the World Bank's very optimistic prophecies) until 2008, the new one will be constructed predominantly for export, with only 21.9% of the production staying in the country. To be sure, the government will earn royalties with the exported electricity, but it will have to wait for thirty years for the structure to be handed over. And given the high level of siltation in hydropower schemes in the Himalaya, it is highly speculative how efficient it will then be.

Thirdly, while the dam and the tunnel have the same measures in both designs, the capacity of the turbines installed in the re-invented project has increased from 402 MW to 900 MW. As there is no reason to believe that the river suddenly contains twice as much water, it is highly probable that SJVN will use the plant predominantly to produce peak current. That means they will switch it on only for the few hours in the morning and evening when demand is at its highest and use the high performance of the turbines to produce as much electricity in a as little time as possible, changing the plant thereby into a hybrid between run-of-the-river and storage scheme. While the Nepalese grid will definitely benefit from such a usage to help accommodate peak demand, this management model will do little to help the base load problem the NEA is experiencing, even with a fifth of the generated electricity remaining in the country.

Fourthly, the conditions in the upper Arun valley have changed considerably since the early 1990s. As I

have argued in Chapter 3, one decisive reason why the majority of the people in the upper Arun valley in those days were enthusiastic about the project was that it promised them an inclusion into the developmentalist state through the promise of becoming a part of what Partha Chatterjee has termed political society. To a certain extent, this hope is still evident in the narratives I presented in Chapters 5 and 6. Yet by now, through organisations like the Yamphu Kirat Samaj, there is also a strong and vocal network of activist groups established in the area who are opposed to the way the dam project will be implemented and demand the be recognised as stakeholders in the process. Many of their leaders have university degrees and are well versed in the practice of transnational indigenous activism. They have attended workshops by organisations like the OHCHR or the ILO and are a part of transnational civil society networks. Still, as I have discussed in the previous chapter, both the engineers of SJVN as well as a coalition of NGOs based in the United Kingdom and Kathmandu, perceive the affected populations as people who have to be taken care of and deny them the possibility of participation in decision-making while the state fails to provide spaces for public engagement so far. The indigenous activists, on the other side, use the dam project as one important way to legitimise their raison d'être towards the people they claim to represent and as a tool to stake territorial claims on the region in the wake of a federal reform whose organising principle is still unclear.

In his nuanced discussion of the Narmada controversy, Sanjeev Khagram (2004) has argued extensively that the era of big dams has come to a close. While the second half of the 20th century would be remembered as the hey-day of hydropower construction, he claims, the combination of three factors has seriously decreased the possibility for further dam construction: the 'technical' decrease of available sites to be developed, economic factors that made them less profitable and political circumstances connected to the rise of transnational civil society that made it much more difficult for governments to impose them on their citizens (ibid: 8-11). Especially the last of these factors serves as his main argument why big dams will cease their central place in economic development in democratic societies where the state has little manoeuvring space to curtail civil society mobilisation. These new conditions, he argues, pressure states towards more sustainable forms of development.

To be sure – and this work is only one example for this trend – the emergence of new forms of doing politics on a level that exceeds the nation state through transnational activism, have changed the way hydropower schemes are designed and implemented. Yet, as Goldman (2006) has convincingly shown, not in the straightforward way presented by Khagram. Using the example of the World Bank, he shows how international donor agencies confronted with the critique of their business model by activist networks, have learned to integrate new forms of environmental, social scientific and anthropological knowledge to establish a new development regime that is even more powerful and pervasive than their previous ones. In

many cases, these organisations were successful in co-opting their fiercest critics to help them set up what Goldman calls 'green neoliberalism.' Through new mechanisms like Natural Capital Accounting an ever-increasing number of countries are now part of a global movement of different sorts; a movement that is aiming at a total commodification of natural resources while at the same time the question of property rights over these resources are figuring far less prominently in debates on environmental protection.
Ten years down the line from Khagram's contribution, we can see a powerful re-emergence of the large dam on a global scale. Not only in the global South, also in the Alps, for instance, capacities are about to be increased considerably. And while the controversies around the Turkish Ilisu and the Brazilian Belo Monte schemes show the validity of Khagram's claim that transnational activism has decisively changed the rules of the game, the World Bank's announcement of its come-back to hydropower financing in Nepal points to another decisive shift that might threaten the movement towards less destructive dams gained through the persistence of transnational activism: The vast increase of money spent on infrastructure by investors that are not bound by the new rules of green neoliberalism. This has led to the paradoxical situation that many NGOs that campaigned against the World Bank twenty years ago now are happy when the Bank is co-funding a project, as this will increase the ability for affected people and those who represent them to participate in the process manifold. It is this newly emerging system of foreign aid, already in full swing in the Chinese aid programs in Africa that pushes the Bank back in the game as it once again threatens its importance for large-scale investments in the global South.
Retrospectively, the former activists see the central importance of their campaign for this decisive shift in the Bank's mode of practice, but lament that the organisation still has failed to deliver tangible benefit to the citizens of Nepal. Anil, for example, said:

> The World Bank did learn for some time. The Asian Development Bank continued financing large infrastructure projects including dam projects, but not the World Bank, there was some kind of moratorium, for some ten fifteen years. So, in that sense we can say that the World Bank did learn some lessons, but at the same time it didn't do anything good for Nepal post-Arun-3, in policy formulation, in designing, financing a good project that would be built in Nepal from the money that was allocated. So, it learned lessons in the sense that it realised its mistakes in Arun-3, but these lessons, it did never implement them in the case of Nepal. And now the World Bank people have also started saying that it was a mistake to cancel Arun-3 and that it was a mistake to give up large dams (Interview 6).

Given the recent history of large dam construction in the global South, the publications of the World Bank as well as my conversations with former and recent staff members, I do not believe that it is a wide-spread position within the Bank that it was a mistake to give up large dams in the 1990s. Through this move, the Bank has not only been able to integrate a whole new set of expertise and establish a new mode of knowledge production, it was also successful in parrying the orchestrated attack on its reputation.

Today, it remains one of the most important development donor agencies despite the manifold rise of development funds provided by para-statal bodies from emerging powers around the globe. How important the claim to sustainable development through green hydropower is can be measured when we consider the Bank's President's recent announcement that his organisation would not fund nuclear power plants and instead invest heavily in renewable sources of energy (Agence France Press 2013).

This thesis is an attempt to conceptualise the Arun-3 hydropower project as an object that has created far-reaching relations and influenced sets of practices that were instrumental for the ways in which large dams in the global South have become impossible in the Mid-1990s, but also how they have made their recent comeback. Despite all the changes dam construction has gone through over the past quarter-century, the object of the dam still serves as a powerful promise of development to international donor institutions, governments and people waiting for electricity around the world. I traced the invention, cancellation and reincarnation of this dam from the Mid-1980s until today and have argued that its wound biography can be understood as a complex set of force transmissions that happened over the course of its non-existence. I understand transmission in the sense of a gearing mechanism that transmits forces inside a machine, yet considerably changes this very force while doing so. As we are dealing with transnational development projects - a remarkably complex machine - these transmissions have led to outcomes that were only partially intended by those who applied force. When in 1993 the activists of the Alliance for Energy started campaigning against a dam project they felt was economically unsound and developmentally dubious, they had no idea that their opposition would be transmitted into a global struggle against environmental degradation and for indigenous rights and absorbed by the '50 years is enough' campaign that lobbied for the dissolution of the World Bank. And while the material I presented in Chapter 4 suggests that the repeated re-evaluation of the project design through Bank staff led to the realisation that much of the activists' criticism was substantiated, it was nevertheless the environmental and social issues that were the official justification for the Bank's pull-out. The Inspection Panel, in the best interest of the claimants of the Arun Concerned Group and its own fragile status, transmitted the request for inspection from a complaint mainly concerned with economic arguments into an investigation that solely considered questions of compensation and the environment. From a World Bank perspective, this was a brilliant move as the institution did not have to face the main critique that was aimed at its core: the way its economists are shaping the world though their forecasting. Thereby, in a joint endeavour, the Panel and the Board of Directors transmitted the Panel's founding resolution that had entitled it to investigate all the Bank's directives into an actual practice that confined it to the so-called soft issues of environmental and social concerns. So far, it has not left this course and the Panel's track record since the Arun investigation leads to serious doubts about its independence from the Board and the interests of influential

member states (e.g. Randeria 2003: 54-58). When it comes to the integration of the people affected by the dam in the Arun valley, the Kathmandu-based activists were unable to transmit their oppositional force to establish a group that would support their agenda in the region. There, the desire for development and the wish to be integrated into the workings of a hitherto negligent state were a much stronger argument to believe the announcements of the government and the assertions of 'local' elites.

Through the detour of the World Commission on Dams, twenty years of transnational activism and global discourses on corporate social responsibility, this new way of doing dams in a green neoliberal fashion has reached actors like the Indian SJVN. The recent comeback of large dams is taking place inside a new, multi-polar world order with decidedly new forms of property relations where public-private partnership financing models are quickly becoming the new norm in transnational infrastructure development. While SJVN's engineers and public announcements are fully aware of these altered circumstances and strongly draw on a rhetoric of altruism and benevolence towards their Nepalese neighbours, both water activists as well as indigenous activists do not buy this narrative. Instead they understand the recent reincarnation of Arun-3 as yet another scheme of powerful outsiders to appropriate 'their' water resources. And while the water activists translate their opposition into legal action, the indigenous activists feel side lined both by the state and SJVN and threaten to transmit their resistance into obstructing the construction with direct action.

Through the lens of Arun-3 this dissertation aimed to discuss the way large dam construction in the global South has changed in the last thirty years. Following David Mosse's programmatic call for a 'new ethnography of development' that is leaving the normative question of *whether* development works aside and instead focuses on *how* development as a practice is enacted, it attempts to render the development machine as an object of anthropological inquiry. Given my conceptualisation of Arun-3 as a complex set of force transmission, I believe this picture of a machine is apt. My discussion of Arun-3's twisted tale and the far-reaching relationships it established, however, leaves me to conclude that this machine is many things, but not an anti-politics machine.

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Interview 3 with Tilman, 26 January 2010, Kathmandu, in English (recorded).

Interview 4 with Suresh, 8 February 2010, Kathmandu, in English (recorded).

Interview 5 with Binod, 14 February 2011, Kathmandu, in English (recorded).

Interview 6 with Anil, 25 November 2010, Kathmandu, in English (recorded).

Interview 7 with Sushil, 9 December 2010, Kathmandu, in English (recorded).

Interview 8 with Anil, 19 December 2010, Kathmandu, in English (recorded).

Interview 9 with Prakash, 4 December 2010, Kathmandu, in English (recorded).

Interview 10 with Anil, 19 December 2010, Kathmandu, in English (not recorded).

Interview 11 with Manish, 20 November 2012, Washington, DC, in English (recorded).

Interview 12 with Jyoti, 29 November 2010, Kathmandu, in English (not recorded).

Interview 13 with Jyoti and Krishna, 26 January 2011, Kathmandu, in English (not recorded).

Interview 14 with Antony, 21 November 2012, Washington, DC, in English (recorded).

Interview 15 with John, 17 February 2012, Munich, in German (recorded).

Interview 16 with Edmund, 19 April 2011, Washington, DC, in English (recorded).

Interview 17 with Margret, 10 May 2011, Berlin, in German (recorded).

Interview 18 with Rajib, 1 December 2010, Kathmandu, in English (recorded).

Interview 19 with George, 19 August 2011, Zurich, in German (not recorded).

Interview 20 with Badri and Boras, 20 October 2010, Num, in Nepali (recorded).

Interview 21 with Tula Ram, 20 October 2010, Num, in Nepali (not recorded).

Interview 22 with Hel Bahadur, 27 November 2008, Khandbari, in Nepali (not recorded).

Interview 23 with Umesh, 1 November 2010, Hedangna, in Nepali (recorded).

Interview 24 with Ganesh, 23 October 2010, Hedangna, Nepal, in Nepali (recorded).

Interview 25 with a group of women, 23 October 2010, Hedangna, in Nepali and Yamphu (recorded).

Interview 26 with Bishnu, 9 January 2011, Chiplegaon, in Nepali (recorded).

Interview 27 with Indra and Chameli, 9 January 2011, Botebas, in Nepali (recorded).

Interview 28 with Richin, 9 January 2011, Diding, in Nepali (recorded).

Interview 29 with Ichchha, 22 November 2008, Hedangna, in Nepali (not recorded).

Interview 30 with an anonymous woman, 31 October 2010, en route between Bakle and Hedangna, in Nepali (recorded).

Interview 31 with Shyam, his cousin and an anonymous passer-by, 16 January 2011, Num, in Nepali (recorded).

Interview 32 with Akhil, 17 January 2011, Khandbari, in English (not recorded).

Interview 33 with Lhakpa and Paul, 8 February 2011, Kathmandu, in English and Nepali (recorded).

Interview 34 with Raj, 24 October 2010, Uwa, in Nepali (recorded).

Interview 35 with Parbati, 23 October 2010, Hedangna, in Nepali (recorded).

Interview 36 with Surya, 10 January 2011, Ghorepani, in Nepali (recorded).

Interview 37 with Angrita and Norbu, 31 October 2010, Bakle, in Nepali (recorded).

Interview 38 with a group of anonymous men on route between Khandbari and Hile, 8 December 2008, in English (not recorded).

Interview 39 with an anonymous teenager, 19 November 2008, Hedangna, in English (not recorded).

Interview 40 with Mandira and her sister, 25 November 2008, Num, in Nepali (not recorded).

Interview 41 with Rudip and his colleague, 12 October 2010, Hedangna, in Nepali and English (not recorded).

Interview 42 with Ajib, 27 November 2008, Khandbari, in English (not recorded).

Interview 43 with Durga, 23 November 2008, Ala-Uling, in Nepali (not recorded).

Interview 44 with Hem Kumar, 21 November 2008, Num, in Nepali (not recorded).

Interview 45 with Bilsimaia, 21 November 2008, Num, in Nepali (not recorded).

Interview 46 with Ram Bahadur, 27 November 2008, Khandbari, in English (not recorded).

Interview 47 with Sher Bahadur, 22 November 2008, Chillingte, in Nepali (not recorded).

Interview 48 with Sanjay, 17 January 2011, Khandbari, in English (not recorded).

Interview 49 with Akhil, 17 January 2011, Khandbari, in English (not recorded).

Interview 50 with Kailash, 21 January 2010, Khandbari, in English (not recorded).

Interview 51 with Shyam, 20 November 2008, Num, in Nepali (not recorded).

Interview 52 with Bipin, 6 December 2010, Kathmandu, in English (recorded).

Interview 53 with Vishnu, 10 February 2010, New Delhi, in English (not recorded).

Interview 54 with Catherine, 1 June 2013, via phone (not recorded).

Non-anonymised Interviews

Interview A with Dipak Gyawali, 2010, in English (recorded).

Interview B with Gopal Siwakoti, 2010, in English (recorded).

Interview C with Dipen Bahadur Rai, 2010, in Nepali (not recorded).

Interview D with Purna Prasad Rai, 2010, in Nepali (recorded).

Speeches

Speech 1, 10 January 2010, Hedangna, in Nepali (recorded).

Speech 2, 10 January 2010, Hedangna, in Nepali (recorded).

Speech 3, 11 January 2010, Hedangna, in Nepali and English (recorded).

Curriculum Vitae

Education

2009 – 2014
PhD programme in Social Anthropology at the URPP Asia and Europe, University of Zurich.

2002 – 2007
M. A., Social Anthropology & Organic Agriculture, Department of Social and Cultural Anthropology, University of Vienna and Department of Agriculture, University of Applied Life Sciences Vienna.

Professional Employment

2014 – 2015
Visiting Scholar to the Nepa School for Humanities and Social Sciences, Kathmandu and the Center for India and South Asia, University of California, Los Angeles

2012 – 2013
Visiting Scholar, Institute of Social and Cultural Anthropology, University of Oxford

2011
Instructor, Department of Social and Cultural Anthropology, University of Zurich

2009 – 2012
Research Fellow, URPP Asia & Europe, University of Zurich

2009 – present
Adjunct Lecturer, Department of Social and Cultural Anthropology, University of Vienna

2007 - 2008
Graduate Student Instructor, Faculty of Social Sciences, University of Vienna

2006 – 2007
Junior Assistant to Gertraud Seiser, Department of Social and Cultural Anthropology, University of Vienna

2005 – 2006
Junior Assistant to Professor Andreas Novy, Institute for the Environment and Regional Development at the Vienna University of Economics and Business Administration

Fellowships & Awards

2014 – 2015
Early Postdoc.Mobility fellowship, Swiss National Science Foundation

2012 – 2013
Fellowship for prospective researchers, Swiss National Science Foundation

2012
Travel Grant, Swiss Academy of Humanities and Social Sciences

2009 – 2012
Research Grant, Humer Foundation for Academic Talent and URPP Asia & Europe of the University of Zurich

2008
Research grant, University of Vienna

2008
Summer grant, Graduate School Asia and Africa in World Reference Systems at the Martin Luther University Halle-Wittenberg

2007
Merit scholarship, University of Vienna

2006
Research grant, University of Vienna

2006
CEEPUS grant, Austrian Agency for International Cooperation in Education and Research and Wroclaw University of Environmental and Life Sciences

2005
Research grant, South African Wine Industry Trust (with Professor Werner Zips & colleagues)

2004
Travel grant, Academy of Fine Arts Vienna

Publications

Refereed Articles

Dam good business? India and the Arun-3 hydropower project in Nepal. In: Momentum Quarterly, forthcoming.

Generating Power. Debates on Development around the Nepalese Arun-3 Hydropower Project, in: Contemporary South Asia, 20 (1), 2012, 105–117.

Book Chapters & Editor-reviewed Articles

„Something we could never have". Die Südafrikanische Landreform und ihre Auswirkungen am Beispiel des Weinbaus im Western Cape (with Stephan Handl and Severin Lenart), in: Zips, Werner (ed.). To BEE or not to Be. Black Economic Empowerment in der südafrikanischen Weinindustrie. Vienna: Lit, 2008, 233-268.

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Meine Beobachtungen mit einer ungewöhnlichen Gruppe, in: Nikolai, Werner & Henry Lehmann (eds.) Grenzen der Gedenkstättenpädagogik mit rechten Jugendlichen. Freiburg im Breisgau: Lambertus, 2002, 70-72.

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Online Teaching Material
Grundlagen sozialwissenschaftlicher Denkweisen (with Werner Zips). eLearning Zentrum der Fakultät für Sozialwissenschaften, University of Vienna, 2009. http://www.univie.ac.at/sowi-online/esowi/cp/denkenksa/denkenksa-titel.html

Organized Sessions

"Developing control: the reconfiguration of space and the making of development on the ground." 22nd European Conference for South Asian Studies, University of Lisbon, 25-28 July 2012. Organizers: Miriam Bishokarma, Pia Hollenbach, Sebastian Homm and Matthäus Rest.

"'Wild und Schön' – Maskeraden von Männlichkeit." 7. Tage der Kultur- und Sozialanthropologie, University of Vienna, 24-25 May 2012. Organizers: Matthäus Rest and Gertraud Seiser.

Presentations

The Amnesiac Bank. The World Bank and the cancellation oft he Arun-3 hydropower project in 1995. Paper presented at the 11th Nepal Study Day, Royal Botanical Garden, Edinburgh, 18-19 April 2013.

Dam good Business? India and Nepal's Arun-3 hydropower project. Paper presented at the Annual Meeting of the American Anthropological Association, San Francisco, 14-18 November 2012.

A dam cancelled and reincarnated. The Nepalese Arun-3 hydropower project. Paper presented at the European Conference for South Asian Studies, University of Lisbon, 25-28 July 2012.

"The electricity demand of Nepal's interconnected power system." India and the Arun-3 hydropower project. Paper presented at the EASA Biennial Conference, University of Paris Ouest Nanterre, 10-13 July 2012.

"The dam that wasn't there." Transnationaler Aktivismus, das Weltbank Inspection Panel und der Nicht-Bau des Arun-3 Wasserkraftprojekts in Nepal. Invited Lecture, Department of Ethnology, University of Hamburg, 15 May 2012.

Das Arun-3 Wasserkraftprojekt in Nepal. Spannungen und Widersprüche zwischen Gleichheit und Differenz. Paper presented at Momentum11: Gleichheit, Hallstatt, 27- 30 October 2011.

Generating Power. Discourses on Development around the Arun-3 Hydropower Project in Nepal. Paper presented at the conference of the British Association for South Asian Studies, University of Southampton, 13 April 2011.

Arrested Development? Discourses on the Arun-3 project. Invited lecture, Project Labour in Development, Indira Gandhi National Open University, New Delhi, 31 January 2011 and Faculty of Law, Nepal Law Campus, Tribhuvan University, Kathmandu, 19 December 2010.

Water Power. The Nepalese Arun 3 Hydropower Project. Invited lecture, Department of Sociology, University of Pune, 27 February 2010.

Globalisation, Migration and the Imaginary among the Yamphu Rai of Eastern Nepal. Paper presented at the Summer School "Cultural Translation" at the Graduate School Asia and Africa in World Reference Systems, Martin Luther University Halle-Wittenberg, 17 July 2008.

"I money – I farm." Transformationen und Kontinuitäten in Südostpolen. Paper presented at the 3. Tage der Kultur- und Sozialanthropologie," University of Vienna, 27 April 2007.

Denglawengl. Sound-Performance with Michael Gailer & Jan Blaschko on and about sharpening scythes. Conference of the International Society of Ethnobiology, University of Kent at Canterbury, 14-16 June 2004.

Teaching

Autumn 2013
Instructor (with Professor Elke Mader & Gertraud Seiser), University of Vienna ("The *Krampuslauf* in the county of Salzburg: performances of the un-human")

Autumn 2011
Instructor (with Gertraud Seiser), University of Vienna ("The *Krampuslauf* of the Gastein valley: violence, masculinity, history")

Spring 2011
Instructor, University of Zurich ("Introduction to Ethnology II")

Spring 2009
Instructor, University of Vienna ("Qualitative Methods")

Languages

German (first language), English (fluent), Nepali, Polish and French (proficient spoken and elementary written)